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TOBACCO SITUATION

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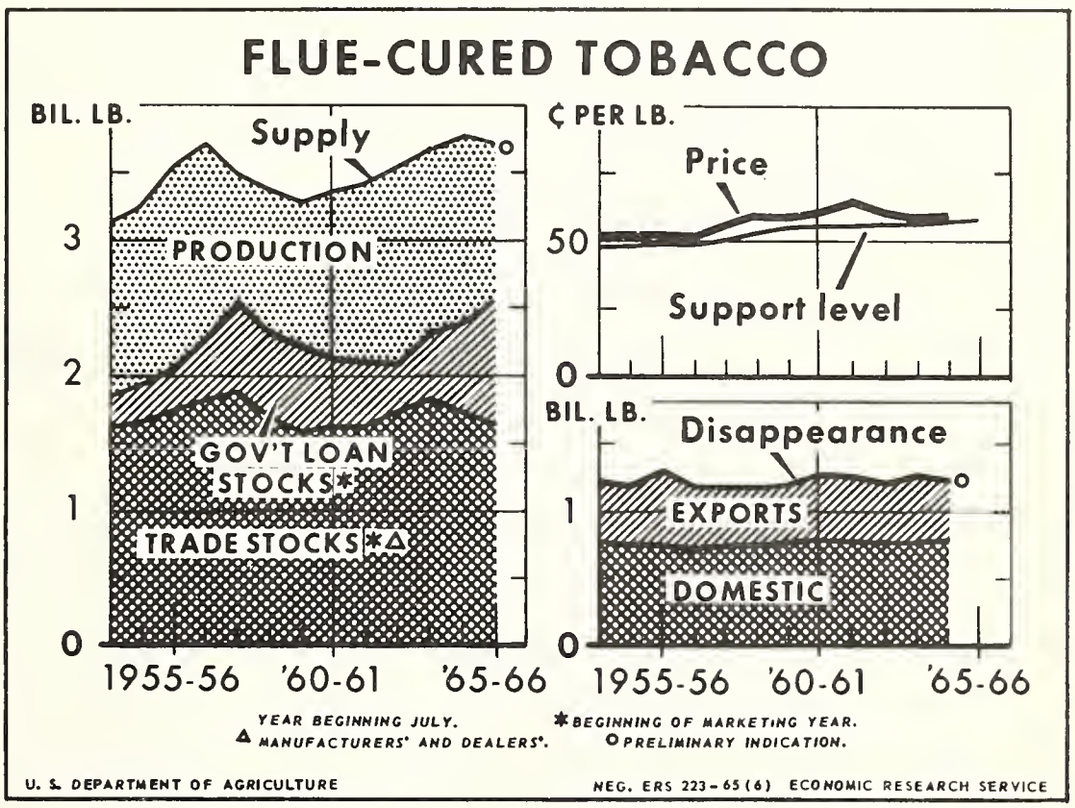
Marketings from the 1965 crop of flue-cured tobacco--first of 3 flue-cured crops that will be produced under the new acreage-poundage program--will be well below 1964. But the total supply for 1965-66 probably will be second largest for any year due to the record carry-over.

Domestic use of flue-cured rose in 1964-65--reflecting mainly increased cigarette output--but exports were down about a tenth from 1963-64.

The Government price support level for 1965 flue-cured tobacco is nearly 1 percent higher than for 1964. This increase reflects, as required by law, the advance in prices paid by farmers for commodities and services.



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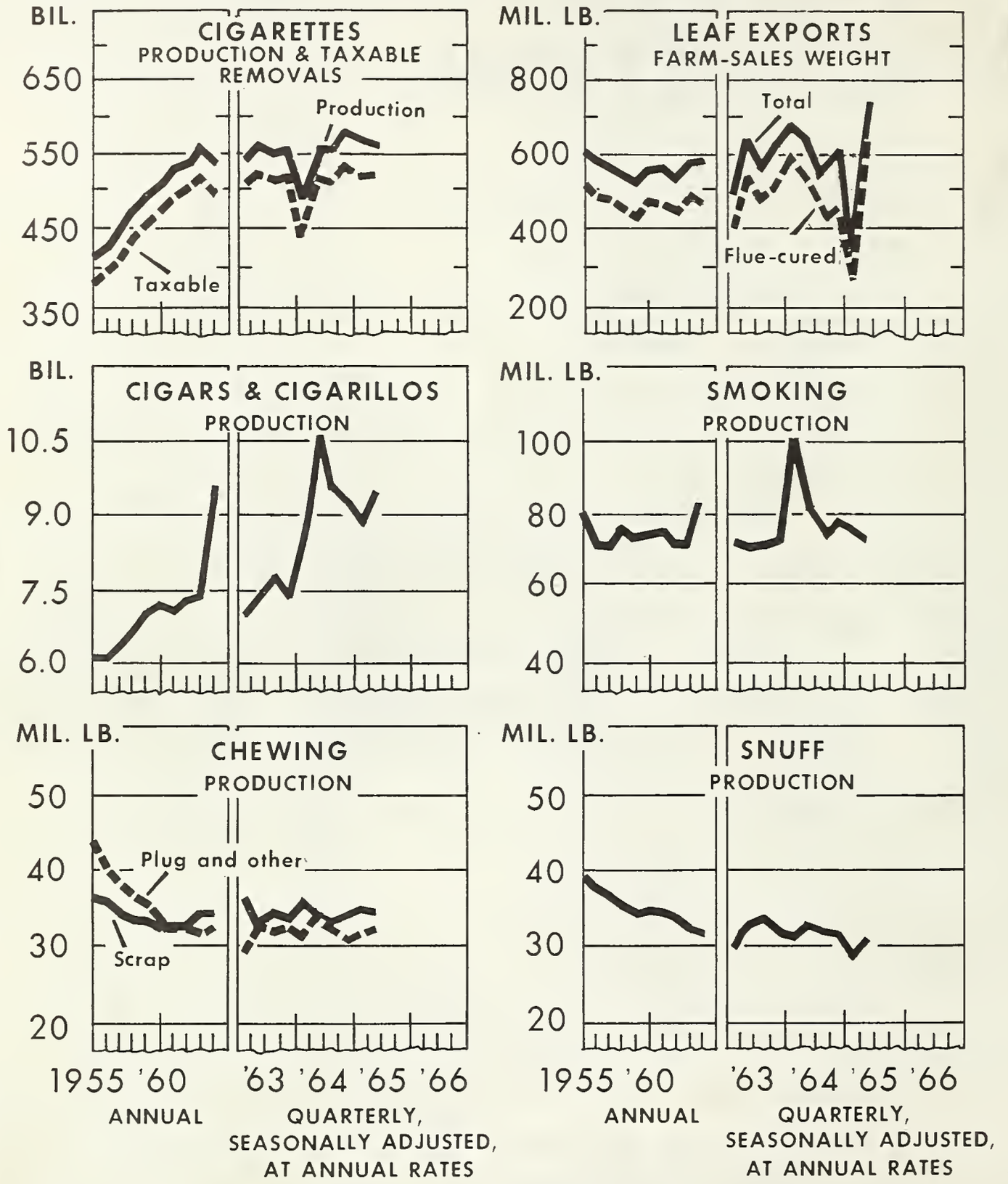
TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



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U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 229-65(6) ECONOMIC RESEARCH SERVICE

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, June 22, 1965

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SUMMARY

On April 16, 1965, the President approved legislation authorizing a new acreage-poundage program for tobacco. On May 4, 1965, growers of flue-cured tobacco--the kind that accounts for about one-half of the tobacco consumed domestically and about four-fifths of U. S. tobacco exported--voted nearly 3 to 1 to place the new program in effect on their 1965, 1966, and 1967 crops. Burley and most other kinds continue under the acreage allotment program for the 1965 crop; growers of these kinds of tobacco could adopt the acreage-poundage program in 1966 or later years. Under the acreage-poundage program, farm marketing quotas, stated in pounds, together with matching acreage allotments are apportioned among growers. Under the acreage allotment program, the quantity of tobacco a grower can market with price support without being subject to penalty is not limited as long as he complies with his farm acreage allotment. Two major objectives of the acreage-poundage program are to provide growers more effective means for balancing supplies with demand requirements, and greater incentives to maintain and improve quality.

Marketings of flue-cured tobacco in 1965 will be considerably less than in 1964. However, with a record carryover, the total supply for 1965-66 will be

second only to the peak level of 1964-65. Production of burley tobacco is expected to exceed that of 1964 and, together with a record carryover, is likely to provide a record-high supply for 1965-66. Flue-cured and burley are the two big-volume tobaccos that make up about nine-tenths of U. S. tobacco production.

Domestic use of flue-cured tobacco in 1964-65 gained, but exports were down about 10 percent from a year earlier. The indicated 1964-65 domestic use of burley is significantly ahead of 1963-64. These gains in domestic use are due to the rise in cigarette output.

In the year ending June 30, 1965, U. S. cigarette output is estimated at 562 billion, nearly 5 percent above fiscal 1963-64, when output declined 1½ percent below 1962-63. Cigarette consumption by U. S. smokers in 1964-65 is estimated at 533 billion, about 24 billion more than in 1963-64 when, following the smoking and health report (January 11, 1964), there was a significant short-term drop in consumption. The 1964-65 increase reflects increased numbers of persons in smoking-age brackets and probably the resumption of cigarette smoking by some who had quit smoking or who had turned to pipes and cigars following the smoking and health report. Exports of cigarettes in 1964-65 probably exceeded any previous fiscal year total.

Cigars and cigarillos smoked by U. S. smokers in the year ending June 30, 1965, totaled about 9 billion--9 percent above 1963-64. This was more than in any previous fiscal year and only a little less than the calendar-year 1964 record high. According to a survey of the Cigar Manufacturers Association of America, sales of cigarillo-size cigars in 1964 jumped 84 percent above 1963, and sales of traditional-size cigars rose 13 percent.

Output of smoking tobacco in 1964-65 is estimated at near 75 million pounds--down about 8 percent from the 9-year high of 1963-64. The indicated decline was in tobacco used for pipe smoking; tobacco used for "roll-your-own" cigarettes is believed to have been the same as in 1963-64. Imported smoking tobacco, however, gained and accounted for about 3 percent of total smoking tobacco consumption in 1964-65.

Output of chewing tobacco in 1964-65 is estimated at 66 million pounds, slightly below the 4-year high of 1963-64. The 1964-65 manufacture of snuff is estimated at about 30 million pounds--6 percent below 1963-64 and a long-time low.

The excise tax legislation signed by the President on June 21 eliminated the 10-cents per pound tax on smoking tobacco, chewing tobacco, and snuff, effective January 1, 1966. This tax rate has applied to these products since November 1, 1951 and for many years prior to that it was 18 cents per pound.

About one-fourth of U. S. tobacco production is exported, on the average. July 1964-June 1965 exports of unmanufactured tobacco are estimated at about 560 million pounds, farm-sales weight (490 million pounds declared export weight)--7 percent below 1963-64. U. S. exports in fiscal 1965-66 are expected to be moderately above a year earlier. With an improvement in the quality of this year's crop, flue-cured exports may show a significant gain over 1964-65, when they were

second lowest in 5 years. The United States is the leading producer and exporter of tobacco; it supplied 27 percent of the volume that moved in free-world commerce in 1964. This was down from 30 percent in 1963 and well below the 1952-56 average of 37 percent. U. S. tobaccos are confronted with strong competition from foreign producing areas, and with difficult trade barriers imposed by major importing countries. In April 1965, the United Kingdom, the world's leading importer raised its already very high duty on tobacco imports by 13 percent.

Auction markets for the 1964 crop of Maryland tobacco opened April 21 and are scheduled to close July 9. For sales through June 22, prices averaged 62.7 cents per pound compared with 43.4 cents a year earlier. The substantially higher prices this season than last reflect the much better quality of the 1964 crop compared with the drought-affected 1963 crop. The 1965 crop of Maryland will be down moderately from 1964 due to a reduction in acreage allotments; carryover, however, is expected to be the largest on record, and total supplies for 1965-66 will likely be above any previous year.

The 1965 fire-cured and dark air-cured crops will likely be down from 1964; carryover of fire-cured is expected to be above a year earlier, but carryover of dark air- and sun-cured combined may be about the same as a year earlier. Total supplies of fire-cured and dark air- and sun-cured tobacco for 1965-66 probably will be slightly lower than for 1964-65.

This year's production of the cigar filler tobacco grown in Pennsylvania and Ohio is likely to be moderately larger than in 1964, but the carryovers of these tobaccos are expected to be down some. The total supply of Pennsylvania filler for 1965-66 may be one of the largest on record; in contrast, the supply of Chio filler probably will be one of the smallest on record. The supply of Puerto Rican filler tobacco is well above other recent years. Also, manufacturers' and dealers' stocks of imported cigar tobaccos--principally Philippine, Dominican, Colombian, and Brazilian--were substantially larger on April 1, 1965, than a year earlier.

The 1965-66 supply of Connecticut Valley binder tobacco is likely to drop to a new low. Both this year's production and the carryover may be the smallest on record. The 1965-66 supply of Wisconsin tobacco may be moderately less than for 1964-65; carryover is likely to be down a little, and 1965 production might be below last year, when record-high yields per acre were realized.

The 1965-66 supply of cigar wrapper tobacco is expected to exceed the 1964-65 level. Acreage has been increased and production may top any previous year. The increase in production probably will more than offset the estimated decline in carryover.

Flue-cured tobacco auctions begin in late July and marketings of the 1965 crops of burley and most other kinds will start in late fall and in early 1966. The overall levels of Government price support for eligible kinds of tobacco produced in 1965 are about 1 percent above 1964 levels. By law, changes in tobacco price-support levels reflect the percentage change in the parity index--its average for the 3 most recent calendar years compared with 1959. The parity index measures the average change over a period of time in prices of commodities and services commonly bought by farm families.

The 1965 price support for tied flue-cured tobacco will be 3 cents higher than for untied tobacco. For the past 4 years this differential was 6 cents per pound, but during these years the difference between the average market prices of tied and untied flue-cured tobacco narrowed considerably.

TOBACCO PRODUCTS

Cigarettes

In the year ending June 30, 1965, U. S. smokers consumed an estimated 533 billion cigarettes, about 24 billion more than in 1963-64 when, following the smoking and health report (January 11, 1964), there was a short-term decline. The estimated 1964-65 figure is 16 billion above the previous fiscal year high of 1962-63 and 9 billion above the calendar year record of 1963. The increased consumption reflects population gain in the smoking-age brackets and probably the resumption of cigarette smoking by some males who quit smoking or turned to pipes and cigars following the smoking and health report. The 1964-65 shipments for use by overseas forces (included in the total consumption figure) were the largest of recent years.

The 1964-65 output of cigarettes is estimated at 562 billion--nearly 5 percent above 1963-64 and about 3½ percent above 1962-63. Cigarette exports likely totaled more than in any previous fiscal year and shipments to Puerto Rico also probably reached a new high. (For principal export destinations see table 2.)

During April some manufacturers announced increases in prices of filter tip brands--from $9.00 per thousand to $9.35 per thousand. In numerous retail outlets, prices of filter tip brands were raised to consumers, even on brands of manufacturers who had not announced increases. On single pack sales the rise in price to the consumer amounted to 1 cent per pack. During the first half of June, manufacturers' price increases on filter tip cigarettes were rescinded.

Retail prices in several States have been increased sharply by higher State cigarette tax levies. In New York, the tax on cigarettes was increased from 5 to 10 cents per pack effective April 1. Arkansas and Nebraska raised their cigarette tax rates from 6 to 8 cents per pack in March and April; Indiana raised its cigarette tax from 4 to 6 cents per pack in May; Colorado upped its tax from 3 to 5 cents on June 1; and effective July 1, 1965, cigarette taxes in South Dakota will go from 6 to 8 cents per pack, and in North Dakota from 7 to 8 cents per pack. The State of Washington raised its cigarette tax from 7 to 11 cents per pack effective June 1, and Texas advanced its rate from 8 to 11 cents effective July 1; these are the highest tax rates for any States.

Included in the excise tax legislation signed by the President on June 21 was a provision that continues the current Federal excise tax of 8 cents per pack indefinitely. Originally the law enacted during the Korean War raised the Federal cigarette tax from 7 to 8 cents per pack effective November 1, 1951, and provided that it would revert to 7 cents on April 1, 1954. Instead, however, Congress retained the 8-cent rate on a year-to-year basis until this recent action extending it indefinitely.

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to		Exports
			Overseas forces and other 1/	Puerto Rico and U. S. islands 2/	
	Billions	Billions	Billions	Billions	Billions
Average:					
1947-49	380.5	345.2	11.7	1.5	22.5
1950	392.0	360.2	15.6	1.9	14.3
1951	418.8	379.7	20.1	2.0	16.8
1952	435.5	394.1	21.7	1.9	16.4
1953	423.1	386.8	18.8	2.0	16.2
1954	401.8	368.7	15.9	1.8	15.4
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960	506.9	470.1	14.3	2.5	20.2
1961	528.3	488.1	14.6	2.8	22.2
1962	535.5	494.5	13.9	3.1	24.1
1963	550.6	508.6	14.3	3.2	23.6
1964 3/	540.9	497.4	13.8	3.7	25.1
	Fiscal year				
Year ending June					
1960	506.1	468.6	14.2	2.5	20.1
1961	518.0	479.4	14.1	2.7	21.6
1962	529.9	488.4	14.1	3.0	23.4
1963	543.7	503.0	14.0	3.1	23.4
1964	536.0	495.1	13.6	3.5	23.7
1965 4/	562.0	518.0	15.0	3.8	24.2

1/ Also includes ship stores and small tax-exempt categories. 2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 3/ Subject to revision. 4/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarette exports from the United States to leading destinations for specified periods

Country	Calendar year				July-April		
	Average 1957-61	1962	1963	1964 1/	1963-64	1964-65 1/	1964-65 as a percentage of 1963-64
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Hong Kong	1,389	1,686	2,109	2,561	1,923	2,238	116
Spain	259	1,094	889	2,252	1,100	1,575	143
Kuwait	646	1,085	1,187	1,425	1,077	994	92
France	1,354	1,466	1,341	1,339	946	1,126	119
Netherlands Antilles	738	1,153	1,120	1,135	980	1,125	115
Malaysia	1,075	1,358	1,647	1,118	1,270	1,040	82
Rep. of Panama 2/	458	647	554	853	539	665	123
Gibraltar (Br.)	697	1,151	935	778	784	447	56
Belgium	925	1,120	1,045	720	735	578	79
Italy	541	814	720	708	594	544	92
Sweden	600	768	697	707	586	469	80
Paraguay	75	50	204	684	363	591	163
Netherlands	527	613	485	617	475	500	105
Peru	315	519	761	597	610	438	72
Canary Islands	30	245	517	575	420	498	119
Ecuador	445	357	452	569	425	505	119
Australia	163	447	580	566	516	384	74
Lebanon	248	380	533	550	422	512	121
West Germany	507	563	533	542	451	459	102
Japan	197	311	469	529	247	234	95
Denmark	437	481	474	513	383	412	108
Other countries 3/	7,815	7,772	6,363	5,806	4,898	4,834	99
Total all countries	19,441	24,080	23,615	25,144	19,744	20,168	102

1/ Subject to revision.
2/ Includes Canal Zone.
3/ Includes over 100 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

On June 16, the Senate passed a bill requiring a cautionary label on cigarette packages. On June 22, the House of Representatives also passed a bill requiring a cautionary label on cigarette packages with the wording identical to that prescribed in the Senate bill. The wording prescribed in both bills is: "Caution: Cigarette Smoking May Be Hazardous To Your Health." The Senate bill would take effect 120 days after its enactment; the House bill would take effect 180 days after its enactment. Both the Senate and House bills contain provisions that would supersede the Federal Trade Commission's trade rule to require a health warning in all cigarette advertising starting July 1, 1965. Under the Senate bill, a statement relating to smoking and health could not be required in the advertising of cigarettes for 3 years from the effective date of the act. Under the House bill, a statement relating to smoking and health could not be required in the advertising of cigarettes, but a time span is not specified. Both the Senate and House bills preempt from State and local governments the authority to require statements relating to smoking and health in labeling and advertising. Both bills exempt cigarettes manufactured for export from the labeling requirement. At the time this report was written conferees had been appointed by the House and Senate to resolve the differences between the two bills.

Cigars, Cigarillos, Small Cigars

In the year ending June 30, 1965, U. S. smokers (including overseas forces) probably smoked over 9 billion cigars and cigarillos--about 3/4 of a billion or 9 percent more than in 1963-64. The 1964-65 fiscal year total exceeded that for any previous fiscal year and was not much below the calendar year record in 1964.

During January-April 1965, taxable removals of cigars and cigarillos were 4 percent lower than in the corresponding period of 1964 when they surged upward following publication of the smoking and health report on January 11, 1964. Compared with January-April 1963, however, taxable removals of cigars were up 26 percent. The number of cigars retailing for over 8 to 15 cents apiece in January-April 1965 was about 2 percent less than a year earlier; the category selling for 6 cents and under, which includes almost all the cigarillos, declined 3 percent below the exceptionally high level of a year earlier; cigars in the in-between price bracket--over 6 to 8 cents apiece--dropped 15 percent.

The Cigar Manufacturers Association of America sponsors annual surveys that indicate the proportion of cigarillos in total cigar sales. Cigarillos (or cigarillo-size cigars) weigh over 3 but under 10 pounds per thousand--averaging less than one-half the weight of the traditional full-size cigar. In 1964, cigarillo sales jumped 84 percent above the previous high of 1963 and accounted for over one-fourth of total cigar sales. The 1964 gain of traditional-size cigars was about 13 percent over 1963. In 1964, cigars and cigarillos retailing for 6 cents each or less comprised 50 percent of total sales, and about one-half of these were cigarillos.

Table 3.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Factories in the United States 1/			From Puerto Rico: taxable	Imports for consumption		Exports	Total consumption 3/
	Total output	Removals: Taxable	Removals: Tax-exempt		Total 2/	From Philippine Republic		
	Million	Million	Million	Million	Million	Million	Million	Million
Average: 1947-49	5,668	5,618	42	5	12	2	12	5,665
1950	5,558	5,525	47	1	12	1	2	5,583
1951	5,774	5,695	85	1	14	1	3	5,792
1952	6,026	5,951	102	2	15	2	3	6,067
1953	6,122	6,025	90	10	17	3	6	6,136
1954	6,029	5,896	89	50	16	4	8	6,043
1955	6,004	5,915	82	84	20	5	6	6,095
1956	5,998	5,863	72	93	23	4	9	6,042
1957	6,145	5,995	79	124	26	5	9	6,215
1958	6,469	6,260	87	137	28	4	9	6,503
1959	6,857	6,717	103	148	31	5	4/10	6,989
1960	6,991	6,728	105	198	32	6	4/11	7,052
1961	6,642	6,558	118	354	24	8	4/16	7,038
1962	6,684	6,442	126	483	23	14	4/19	7,055
1963	6,716	6,621	144	526	24	15	33	7,282
1964 5/	8,736	8,122	193	809	28	13	44	9,108
	Fiscal year							
Year ending June								
1960	7,034	6,697	100	152	27	5	4/11	6,965
1961	6,685	6,565	111	259	26	6	4/14	6,947
1962	6,834	6,572	121	423	27	10	4/18	7,125
1963	6,532	6,440	139	521	23	16	4/25	7,098
1964	7,774	7,483	170	641	30	15	39	8,285
1965 6/	8,550	8,000	181	880	28	12	44	9,045

1/ Includes bonded manufacturing warehouses that made cigars from tobacco imported from a single source country.

2/ Prior to the embargo on imports from Cuba (effective February 1962) cigars imported from Cuba accounted for 70 percent or more of total cigar imports except in 1961.

3/ Total removals from U. S. factories including bonded manufacturing warehouses, from Puerto Rico, imports, minus exports.

4/ Estimated--excludes little cigars.

5/ Subject to revision.

6/ Preliminary estimate.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 4.--Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Million	Million	Million	Million
Average:				
1947-49	84.1	84.6	84.6	Neg.
1950	68.9	69.2	69.1	0.1
1951	69.2	68.6	68.2	.4
1952	67.1	67.4	66.9	.5
1953	58.3	56.9	56.7	.2
1954	61.2	62.9	60.3	2.6
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1961	158.2	152.9	146.1	6.8
1962	164.0	162.9	155.8	7.1
1963	281.4	272.4	264.2	8.2
1964 1/	973.9	973.8	939.7	34.1
	Fiscal year			
Year ending June				
1960	151.1	141.4	113.9	27.5
1961	147.7	157.2	145.3	11.9
1962	164.7	163.1	156.2	6.9
1963	187.1	188.6	181.8	6.8
1964	913.2	881.5	865.1	16.4
1965 2/	465.0	480.0	450.0	30.0

1/ Subject to revision.
2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

In addition to traditional-size cigars and cigarillos, a significant volume of separately classified small cigars (about cigarette-size--weighing not over 3 pounds per thousand) is marketed. Output and sales of these rose sharply during the first half of 1964 following the smoking and health report, but fell during the second half of the year. During January-April 1965, taxable removals of small cigars were less than one-third as much as in the corresponding period of 1964 but still more than double the number in the same months of 1963. For the year ending June 30, 1965, taxable removals of small cigars are estimated at around 450 million--only about one-half the number in 1963-64 but 1½ times larger than in 1962-63.

Repeal of Federal Excise Tax on Smoking and Chewing Tobacco and Snuff

Among the excise taxes repealed by legislation signed by the President on June 21 (P. L. 89-44) was the Federal excise tax of 10 cents a pound on smoking tobacco, chewing tobacco, and snuff. The elimination of the 10-cents-a-pound excise tax on these products will be effective January 1, 1966. The 10-cent rate has been in effect since November 1, 1951, and prior to then had been 18 cents a pound since February 1919. Before that, Federal taxes at varying rates had been in effect on these products since 1862.

The average retail price for smoking tobacco purchased by farmers in December 1964 (latest available) was $1.83 per pound. Based on such a price average, elimination of the Federal excise tax could result in about a 5-percent reduction in retail price. Presumably, retail prices of chewing and snuff could be affected similarly.

Smoking Tobacco

Production of smoking tobacco (for pipes and "roll-your-own" cigarettes) in the year ending June 30, 1965, is estimated at near 75 million pounds, about 8 percent below 1963-64, which was highest in 9 years. Output at such a level, however, would still moderately exceed production in 1961-62 and 1962-63. Production in the second half of 1964 ran 5 percent above a year earlier, but dropped 24 percent in January-April 1965 from corresponding months of 1964, when there was an upsurge following release of the smoking-health report.

For July 1964-April 1965, taxable removals of smoking tobacco were down 9 percent from a year earlier. The decline is estimated to have occurred in pipe tobacco; based on total shipments of cigarette papers, consumption of "roll-your-own" cigarettes was virtually unchanged.

Taxable removals of imported smoking tobacco in July 1964-April 1965 were nearly a third above a year earlier, due to a sharp gain in the last 6 months of 1964; removals in January-April 1965 were down about a sixth from a year earlier. For the year ending June 30, 1965, taxable removals of imported smoking tobacco probably will reach about 2½ million pounds, nearly a fifth more than in 1963-64, and will make up around 3 percent of total U. S.

Table 5.--Smoking tobacco: Output, removals, foreign trade, and consumption, for specified periods

Period	Output	Removals		Imports, taxable 1/	Exports, in packages	Total consumption 2/	Exports, smoking tobacco in bulk 3/
		Taxable	Tax-exempt				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1947-49	106.8	4/104.6	4/2.3	0.1	1.2	105.8	1.4
1950	107.7	104.3	3.4	.1	.6	107.2	1.4
1951	101.3	97.4	4.0	.1	.7	100.8	1.9
1952	96.8	92.9	3.6	.1	.6	96.0	2.3
1953	86.6	84.2	2.4	.1	.6	86.1	4.7
1954	83.7	81.2	2.5	.1	.6	83.2	4.6
1955	80.0	77.7	2.3	.1	.5	79.6	6.2
1956	71.5	69.9	1.7	.1	.6	71.1	5.7
1957	70.5	68.7	1.7	.2	.6	70.0	4.4
1958	76.0	74.0	2.0	.4	.7	75.7	7.5
1959	73.2	71.2	1.9	.7	.7	73.1	8.5
1960	73.8	71.3	2.3	.9	.9	73.6	7.7
1961	74.2	71.4	2.5	1.3	.8	74.4	9.0
1962	70.9	68.3	2.6	1.5	.9	71.5	8.6
1963	70.4	68.0	2.2	1.6	.9	70.9	9.8
1964 5/	82.5	79.0	3.4	2.7	1.4	83.7	12.3
	Fiscal year						
Year ending June							
1960	73.8	71.2	2.2	.8	.7	73.5	8.1
1961	74.9	72.4	2.4	1.1	.9	75.0	8.1
1962	71.5	69.0	2.4	1.3	.8	71.9	8.5
1963	69.8	67.1	2.3	1.7	.9	70.2	9.7
1964	80.7	77.5	2.9	2.1	1.2	81.3	10.0
1965 6/	74.5	71.0	3.0	2.5	1.1	75.4	11.0

1/ Prior to July 1962, data are from Census import classification "tobacco manufactures, n.e.s." 2/ Total removals plus taxable imports minus exports in packages. 3/ Includes specially-prepared cigarette tobacco, cut or granulated tobacco, partially-processed blended tobacco and shredded tobacco. Virtually all of the smoking tobacco in this export class is not included in Internal Revenue Service output figures for smoking tobacco. 4/ Partly estimated. 5/ Subject to revision. 6/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and Bureau of the Census.

consumption. Most of the smoking tobacco imported into this country comes from the Netherlands and the United Kingdom.

Only a small fraction of smoking tobacco production is exported. These exports had trended downwards in recent years, but in 1964 they jumped to the highest level since 1947. In January-April 1965, however, they were 52 percent below a year earlier. (Comparability of statistics for the two periods is affected by the dock strike in January and February 1965.) Sharp reductions occurred in exports to Canada, West Germany, Denmark, Iceland, and Australia, while none was reported shipped to Japan in contrast to a significant quantity a year earlier. Switzerland took moderately more than in January-April 1964.

Smoking Tobacco in Bulk for Export

Practically none of the smoking tobacco exported in bulk form is included in the Internal Revenue Service output figures for smoking tobacco. This export classification includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco. In 1964, exports of smoking tobacco in bulk, at 12.3 million pounds, set a record high. In January-April 1965, these exports were 43 percent larger than a year earlier. Shipments to Switzerland almost doubled, and those to Mexico and Panama also rose sharply. On the other hand, there were moderate declines in exports to Spain and Haiti and sharp declines to Dominican Republic, Bolivia, and Ecuador. Exports to Finland equaled those a year earlier, while none was reported exported to Italy which took a sizable quantity in January-April 1964.

Chewing Tobacco

Output of chewing tobacco in the year ending June 30, 1965, is estimated at about 66 million pounds, slightly less than a year earlier. Production of scrap and plug, which together make up 90 percent of total chewing, will probably approach 1963-64 levels. Fine-cut and twist comprise the remaining 10 percent of chewing tobacco production. Output of fine-cut may be up some from 1963-64, while that of twist is likely to be about the same.

Most chewing tobacco output is consumed domestically. Exports, which have trended downward, consist principally of twist and plug. In January-April 1965, exports were 38 percent smaller than a year ago. Consignments to French Pacific Islands rose slightly, but there were sharp reductions to Australia, Panama, and the Netherlands Antilles.

Snuff

Production of snuff in the year ending June 30, 1965, is estimated at about 30 million pounds--nearly 2 million pounds or 6 percent below 1963-64. Snuff production has been trending downwards for the past 10 years; the 1964-65 estimated decline would represent one of the sharpest during this period.

Table 6.--Chewing tobacco and snuff: Output by category for specified periods

Period	Chewing tobacco					Snuff
	Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:						
1947-49	44.9	5.5	3.3	41.3	95.0	40.3
1950	40.3	5.5	2.7	39.0	87.5	40.0
1951	39.9	4.6	2.8	39.1	86.4	39.5
1952	39.1	4.8	2.8	38.2	84.9	38.8
1953	38.1	4.7	2.9	38.1	83.8	39.1
1954	36.9	4.9	2.9	36.6	81.3	38.5
1955	36.5	4.5	3.0	36.0	80.0	39.2
1956	33.0	4.3	2.9	35.5	75.7	37.7
1957	31.6	4.0	2.8	34.0	72.4	36.1
1958	29.6	3.8	2.9	33.0	69.3	34.8
1959	28.6	3.6	3.0	33.0	68.2	34.3
1960	26.4	3.4	3.1	32.0	64.9	34.6
1961	26.0	3.3	3.2	32.7	65.2	33.8
1962	26.0	2.9	3.3	32.5	64.7	33.2
1963	24.9	2.9	3.3	34.2	65.3	31.8
1964 1/	25.9	2.8	3.5	34.0	66.2	31.4
	Fiscal year					
Year ending June						
1960	27.5	3.6	3.1	32.7	66.9	35.3
1961	26.0	3.3	3.1	32.6	65.0	33.8
1962	26.0	3.0	3.2	32.5	64.7	32.9
1963	25.1	3.0	3.3	33.6	65.0	32.7
1964	25.9	2.8	3.4	34.2	66.3	31.9
1965 2/	25.5	2.8	3.6	34.0	65.9	30.0

1/ Subject to revision.
2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Virtually all snuff output is consumed domestically. In July 1964-April 1965, taxable removals of snuff--the measure of domestic consumption--were about 6 percent less than a year ago.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

For the year ending June 30, 1965, U. S. exports of unmanufactured tobacco are estimated at 490 million pounds--about 8 percent below the 8-year high of 1963-64 but equal to the 1953-62 average. Compared with last year, a higher proportion of the 1964-65 exports of flue-cured and burley (the principal and second-ranking export tobacco, respectively) were made in stemmed form. Consequently, when considered on a farm-sales weight basis, the 1964-65 estimated exports would be equivalent to approximately 560 million pounds--down about 7 percent from 1963-64.

Exports during July-December 1964 were 22 million pounds below a year earlier, reflecting a drop in shipments of flue-cured. The dock strike in January and February 1965 deepened the decline for the 8 months to 82 million. Despite an appreciable export increase over a year earlier in March and April, the July 1964-April 1965 total was 49 million pounds below a year earlier. Shipments for May-June are not likely to show a sufficient gain to fully offset the earlier decline.

U. S. exports in fiscal 1965-66 are expected to be moderately above the estimated 1964-65 total. With improvement expected in the quality of this year's crop, flue-cured tobacco exports may show a significant gain.

On May 26, the Department of Agriculture announced it was initiating a review of procedures to be followed in barter projects involving strategic materials obtainable from limited or monopolistic foreign sources. Pending completion of this review, no new barter arrangements involving strategic materials for stockpiles will be initiated. This will not affect barter arrangements to meet overseas needs of the Department of Defense and the Agency for International Development.

The Department of Agriculture announced on June 22 that the Department does not propose any further changes in tobacco programs for the 1965-66 marketing year. Methods to make U. S. tobacco more competitive in world markets have been under intensive study in the Department in recent months. To provide adequate time for full discussion of programs to achieve this objective, the Department will recommend that any such programs not become effective until the 1966-67 marketing season. The announcement emphasized that any program proposals would include provisions insuring holders of tobacco stocks equitable treatment in costs of their tobacco for export or manufacturing.

The United States, world's leading producer and exporter of tobacco, supplied 27 percent of the nearly 1.9 billion pounds of unmanufactured tobacco that moved in free-world commerce in 1964. This was down from 30 percent

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1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 7.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Average 1957-61	1962	1963	1964 1/	January-April 1964 1/	January-April 1965 1/	1965 as a percentage of 1964
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Flue-cured	400.3	375.4	403.4	391.5	95.7	72.0	75
Burley	30.3	40.1	44.5	53.0	10.9	7.8	72
Maryland	12.5	10.9	10.7	12.3	3.3	1.7	52
Va. fire- and sun-cured	4.9	4.6	5.2	4.6	1.8	1.9	106
Ky. and Tenn. fire-cured	20.7	17.3	14.2	20.8	6.6	5.9	89
Green River	1.0	.6	.6	1.2	.2	.3	150
One Sucker	1.4	.5	.5	.6	2/	.1	----
Black Fat, etc.	4.6	3.7	4.2	3.7	.8	.9	112
Cigar wrapper	4.2	4.8	4.6	5.2	1.8	1.2	67
Cigar binder	2.8	.9	.8	1.6	.9	1.5	167
Cigar filler	.5	.1	.4	.6	.1	.2	200
Perique	.1	.2	.2	.2	.1	.3	300
Stems, trimmings, and scrap	5.9	9.8	16.1	15.1	4.2	5.7	136
Total	489.2	468.9	505.5	510.4	126.5	99.5	79
Counrty of destination							
United Kingdom	159.2	97.0	139.0	125.2	22.2	16.4	74
France	6.8	4.6	5.6	7.2	3.9	2.7	69
Belgium	17.6	17.3	16.3	17.5	5.7	4.0	70
Netherlands	29.9	28.1	29.7	33.1	9.9	7.4	75
West Germany	71.5	80.6	85.3	85.5	19.4	19.9	103
Portugal	6.9	7.6	6.0	8.0	3.3	1.9	58
Denmark	13.4	13.8	13.8	12.1	5.2	4.4	85
Ireland	12.1	21.6	14.5	11.2	5.2	2.3	44
Switzerland	12.2	13.0	11.5	15.0	4.0	2.0	50
Norway	7.4	8.4	7.3	7.4	2.7	1.2	44
Sweden	14.6	15.1	11.0	20.8	7.6	3.8	50
Italy	8.1	18.2	12.0	9.5	.6	0	---
Thailand	10.5	7.7	9.1	11.1	3.3	3.5	106
Australia	23.4	22.0	18.1	14.2	3.3	4.0	121
India	2.0	2.4	1.5	.6	0	0	---
Pakistan	1.5	2.1	2.3	.8	.5	.6	120
New Zealand	6.2	4.7	2.9	3.9	1.5	.6	40
Philippine Republic	3.5	2/	2/	.9	2/	2/	---
Indonesia	3.8	2.7	1.2	0	0	0	---
Egypt	9.3	12.5	15.2	15.2	0	3.6	---
Japan	13.8	24.1	28.7	30.8	7.4	0	---
Spain	3.7	.3	1.2	3.1	3.0	1.1	37
Other countries	51.8	65.1	73.3	77.3	17.8	20.1	113
Total	489.2	468.9	505.5	510.4	126.5	99.5	79

1/ Preliminary.
2/ Less than 50,000 pounds.

Complied from publications and records of the Bureau of the Census.

in 1963 and considerably below the 1952-56 average of 37 percent. (See table 12). Major exporters and quantities of unmanufactured tobacco shipped in 1964 and the previous year were as follows:

	1963 Mil. lb.	1964 Mil. lb.
United States	505	510
Rhodesia, Zambia, Malawi	213	252
India	150	158
Greece	137	158
Brazil	98	133
Turkey	98	126
Philippine Republic	55	72
Dominican Republic	37	55
Canada	39	52
Yugoslavia	38	50
Colombia	25	36
Indonesia	28	36

Significant quantities were also exported in 1964 by the following: Cuba, an estimated 30 million pounds; Paraguay, about 28 million; Argentina, 24 million; and Mexico, 20 million. Italy, which had exported nearly 25 million pounds in 1963, shipped only about 11 million in 1964.

The 1964 exports from Rhodesia, India, Canada, and Greece were all at record levels. Although Turkey's exports in 1964 rose above the abnormally low 1963 level, they were still third smallest in 12 years. The 1965 exports from Rhodesia may continue at a relatively high level, in view of the comparatively large 1965 flue-cured crop, and carryover from the record 1964 harvest. Exports from India may be below 1964 if the indicated reduction in this year's crop materializes. (See following section.) The 1965 exports from Turkey are expected to exceed last year's in view of increased availabilities from recent large crops.

The United States ranks third among the world's importers of tobacco; the United Kingdom ranks first, and West Germany second. Tobacco imported into the United States is used for blending with domestic types in manufacture of cigarettes and cigars. Table 13 shows quantities received in 1964 and other recent years by 13 principal importing countries. These countries accounted for 73 percent of total free-world imports in 1964. If U. S. imports were added, the 14 countries would account for 84 percent.

Major Foreign Countries Exporting Tobacco

The 1965 flue-cured crop in Rhodesia, Zambia, and Malawi (the former Federation of Rhodesia and Nyasaland) is estimated at about 294 million pounds--11 percent below the record harvest of 1964 but otherwise surpassing any other year. In Rhodesia, where over nine-tenths of the former Federation's flue-cured crop is grown, acreage was reduced under a voluntary control program. Salisbury auction sales of the current crop (which began March 9)

Table 8.--Flue-cured tobacco, types 11-14: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning July 1	United Kingdom		West Germany	Belgium	Netherlands	Ireland	Denmark	Australia	Japan	All countries	
	Unstemmed	Stemmed								Unstemmed	Stemmed
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1950	64.0		43.5	36.9	42.9	62.0	54.2	69.3	78.4	59.7	
1951	66.3		54.5	44.9	44.8	68.0	57.9	74.9	84.3	64.6	
1952	69.6		57.4	40.9	43.6	70.1	58.7	76.6	86.7	64.6	
1953	71.1		61.3	40.7	43.1	69.6	66.3	79.5	90.5	66.9	
1954	73.0	117.1	61.9	37.4	43.2	72.3	63.2	79.8	84.3	68.0	90.0
1955	70.8	107.3	63.1	36.5	43.0	71.6	66.0	76.7	80.5	66.3	81.6
1956	71.9	82.3	63.3	45.1	46.7	72.1	67.6	78.7	88.1	68.5	82.4
1957	77.5	84.0	68.6	47.1	51.0	79.4	69.7	79.8	93.5	72.9	87.6
1958	78.0	95.3	70.4	46.3	48.5	78.7	69.8	82.3	94.1	73.6	93.6
1959	79.8	99.8	70.7	48.6	48.6	84.7	68.7	82.2	96.1	74.0	96.8
1960	82.3	99.8	72.5	48.1	52.4	82.4	73.7	83.4	94.2	75.8	96.7
1961	84.8	102.9	74.7	51.4	53.2	3/87.6	3/82.2	85.7	93.1	77.3	102.9
1962	85.9	104.1	75.8	55.4	60.3	3/87.7	3/88.8	90.1	95.5	78.3	103.3
1963 1/	84.8	105.2	73.7	56.8	57.9	3/93.2	3/92.5	87.9	90.5	76.2	104.9
1964 2/	84.9	107.2	77.0	55.3	60.4	3/91.3	3/93.0	86.1	112.2	78.9	107.0

1/ Preliminary. 2/ July 1964 - April 1965. 3/ Rising average values reflect increased proportions of stemmed tobacco.

Table 9.--Burley and Maryland tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Burley, type 31							Maryland, type 32			
	West Germany	Belgium	Portugal	Sweden	Denmark	Netherlands	All countries	Switzerland	Netherlands	France	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1950	41.6	32.2	35.6	58.6	39.0	35.0	46.1	79.3	33.7	76.7	64.9
1951	50.3	32.6	31.8	71.5	51.0	43.9	52.0	83.7	29.2	1/	72.3
1952	56.1	33.0	33.3	74.9	48.4	42.8	53.2	82.7	34.0	---	66.5
1953	53.9	33.1	32.9	77.4	45.2	42.5	51.9	80.0	30.7	---	61.4
1954	59.5	34.3	29.6	76.5	48.1	38.8	54.3	84.0	37.2	79.2	70.1
1955	60.6	42.7	34.6	73.1	52.5	43.2	57.0	80.0	37.9	79.1	62.8
1956	66.7	50.3	63.8	79.5	66.3	52.5	73.7	81.2	36.1	80.1	62.2
1957	76.8	56.9	62.6	85.0	79.6	65.1	78.5	81.2	41.7	87.2	66.2
1958	84.6	59.8	67.0	87.7	92.2	64.3	83.8	81.4	54.9	90.2	64.2
1959	80.3	52.8	57.0	89.0	94.8	70.5	82.6	87.6	49.9	75.0	74.8
1960	80.6	62.8	59.9	87.4	4/108.3	73.8	82.0	89.8	71.4	91.8	78.4
1961	82.1	75.0	71.5	92.3	4/108.9	81.2	86.2	89.0	62.6	87.7	78.5
1962	81.1	70.8	54.1	95.9	4/114.2	80.7	82.4	88.6	62.3	84.6	76.5
1963 2/	76.5	64.4	55.0	4/109.0	4/105.9	67.0	77.1	94.3	62.7	87.2	76.6
1964 3/	76.5	67.2	54.9	4/117.9	98.0	79.5	85.3	90.5	54.6	102.8	81.2

1/ Quantity negligible. 2/ Preliminary. 3/ October 1964-April 1965. 4/ Reflects increased proportion of stemmed tobacco.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 10.--Fire-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Kentucky and Tennessee fire-cured types 22-23							Virginia fire-cured type 21				
	France	Netherlands	Switzerland	Belgium	United Kingdom	Sweden	All countries	Norway	Sweden	United Kingdom	West Germany	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1950	36.7	40.5	44.8	32.6	44.9	43.7	39.6	54.7	49.5	48.6	65.9	56.3
1951	---	43.1	42.1	39.2	44.2	49.5	45.1	59.2	55.9	68.8	66.1	66.3
1952	58.5	48.3	55.1	33.7	58.1	51.5	49.3	58.5	61.0	75.3	68.7	63.5
1953	49.7	48.5	57.6	34.2	68.4	55.0	51.6	62.6	59.1	65.9	73.2	63.2
1954	46.6	44.5	60.1	36.3	40.1	50.6	51.5	62.1	61.7	74.6	67.8	62.1
1955	46.6	47.5	59.4	36.2	58.8	52.2	52.5	59.6	54.5	64.8	64.4	61.4
1956	46.6	49.3	53.2	37.5	60.4	57.8	48.3	58.2	61.1	72.1	75.5	66.1
1957	51.3	48.5	52.7	34.2	64.5	54.4	46.3	63.8	40.7	68.8	73.9	66.5
1958	56.0	45.6	50.3	40.3	62.0	56.4	45.0	59.4	57.7	69.9	75.6	65.5
1959	55.0	44.3	50.7	43.5	58.3	56.0	46.8	59.5	58.0	71.2	68.3	66.3
1960	53.2	45.3	48.7	42.7	60.0	55.2	48.6	60.4	56.7	67.8	68.2	63.8
1961	52.5	49.2	58.1	53.0	63.1	56.2	51.9	62.3	62.2	78.1	70.0	64.7
1962	52.7	51.9	56.6	49.9	61.8	56.8	54.3	65.7	59.4	67.7	76.1	64.9
1963	49.9	48.0	56.3	52.9	63.8	52.3	50.4	66.9	62.0	75.4	74.0	67.2
1964 2/	57.8	49.8	64.9	59.4	80.6	57.4	53.2	64.6	61.0	82.6	73.3	71.6

1/ Preliminary. 2/ October 1964-April 1965

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 11.--Black Fat and dark air-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Black Fat 1/				Green River, type 36		One Sucker, type 35
	Ghana	Nigeria	Western Africa 2/	All countries	United Kingdom	All countries	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1950	67.0	67.6	42.2	58.9	40.9	30.4	46.3
1951	77.2	74.9	44.3	66.2	46.0	49.2	68.6
1952	84.8	81.4	51.8	76.9	37.5	37.7	69.6
1953	84.6	80.3	53.2	77.0	51.1	44.1	46.4
1954	85.7	81.7	54.4	74.8	45.5	36.0	24.4
1955	86.2	84.1	56.6	79.6	46.8	39.9	42.4
1956	87.1	86.8	56.9	79.9	59.2	35.3	30.4
1957	87.6	89.4	57.2	80.5	56.9	41.1	43.2
1958	91.8	90.2	60.0	82.8	66.6	55.5	35.4
1959	93.6	93.8	60.9	86.4	53.0	51.9	43.9
1960	95.4	95.4	60.4	84.5	61.1	57.0	47.3
1961	95.5	97.9	75.0	89.7	69.3	51.7	51.6
1962	97.8	100.5	64.9	87.4	57.6	53.1	51.7
1963 3/	98.3	100.1	69.0	87.3	56.7	52.0	53.2
1964 4/	97.2	105.4	66.9	90.7	67.7	52.3	47.5

1/ Also Dark African and Water Baler. 2/ Formerly French West Africa. 3/ Preliminary. 4/ October 1964-April 1965.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 12.--United States and world production and exports of flue-cured and all unmanufactured tobacco, averages 1947-51 and 1952-56, annual 1957-64

Period	Flue-cured			All tobacco 1/		
	United States	World total 2/	United States as percentage of total	United States 3/	World total 2/	United States as percentage of total
	Mil. lb.	Mil. lb.	Pct.	Mil. lb.	Mil. lb.	Pct.
	Production (farm-sales weight)					
Average:						
1947-51	1,246	2,040	61	2,110	7,218	29
1952-56	1,371	2,760	50	2,217	8,250	27
1957	975	2,722	36	1,694	8,625	20
1958	1,081	2,880	38	1,762	8,263	21
1959	1,081	2,974	36	1,824	8,502	21
1960	1,251	3,161	40	1,971	8,278	24
1961	1,258	2,975	42	2,092	7,723	27
1962	1,408	3,230	44	2,350	8,643	27
1963 4/	1,371	3,342	41	2,376	9,544	25
1964 4/	1,388	3,607	38	2,263	9,790	23
	Exports (export weight)					
Average:						
1947-51	388	531	73	486	1,141	43
1952-56	403	637	63	484	1,316	37
1957	418	664	63	501	1,488	34
1958	398	669	59	482	1,449	33
1959	374	656	57	466	1,402	33
1960	409	705	58	496	1,521	33
1961	403	727	55	501	1,681	30
1962	375	776	48	469	1,690	28
1963 4/	403	786	51	505	1,669	30
1964 4/	392	860	46	510	1,874	27

1/ Unmanufactured. 2/ Production figures include Communist bloc; export figures relate to free world. 3/ Including Puerto Rican. 4/ Subject to revision.

Foreign data supplied by Tobacco Division, Foreign Agricultural Service.

Table 13.--Tobacco imports of ranking foreign markets and percentage supplied by the United States, 1961-64

Country	Totsl tobscco imports 1/				Percentage supplied by the United States			
	1961	1962	1963	1964 2/	1961	1962	1963	1964 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	Pct.	Pct.	Pct.
United Kingdom	345	280	325	313	46	38	45	39
West Germany	215	3/320	3/262	3/279	31	30	34	32
France	79	78	104	108	10	4	5	5
Netherlands	96	69	87	100	27	29	28	30
Japan	24	39	35	64	72	66	62	52
Belgium-Luxembourg	66	60	64	64	26	24	25	25
Spain	61	63	44	60	8	1	4	7
Italy	18	77	63	50	35	18	30	15
Switzerland	33	35	38	40	45	45	46	47
Denmark	30	28	28	34	53	47	55	49
Sweden	25	20	19	31	74	73	61	78
Egypt	25	26	27	30	38	44	47	54
Australia	31	28	27	28	63	69	69	52

1/ Unmanufactured tobacco. 2/ Subject to revision. 3/ Not comparable with data for previous years. Prior to 1962, import data covered only duty-paid imports. The 1962 figure represents gross imports plus stocks in bonded warehouses (excluding free-trade zone stocks) that arrived prior to January 1, 1962; the 1963 and 1964 figures represent gross imports.

Compiled from reports of Foreign Agricultural Service.

totaled about 123 million pounds through June 16, averaging the equivalent of 41.8 U.S. cents per pound. A year earlier, about 140 million pounds were sold at an average price of 33.3 cents.

Exports of flue-cured tobacco from Rhodesia and Western Zambia during January-March 1965 totaled nearly 21½ million pounds--more than double the year-earlier figure. Takings by the United Kingdom, although substantially above January-March 1964, still accounted for less than a sixth of the total, an unusually low proportion. Hong Kong, Malaysia, and other Commonwealth destinations accounted for 30 percent. From 2 to 3 million pounds each--several times the year-earlier exports--went to West Germany, Belgium, and the Netherlands, and significant quantities were exported to Switzerland, Portugal, Denmark, Norway, and Sweden. A little over 1 million pounds went to Japan, about the same as in January-March 1964. The Tobacco Export Promotion Council of Rhodesia has announced plans to open its first overseas office in Amsterdam. According to this announcement, the new office is to begin operations in August, and will enable the Rhodesian tobacco industry to maintain closer contacts with key world trading centers, as well as with the Common Market headquarters in Brussels.

The 1964 flue-cured crop in Canada, estimated at 143 million pounds, was 23 percent less than in the previous year. Acreage in Ontario, which usually accounts for around nine-tenths of the crop, was cut about a fourth. However, quota acreage for 1965 has been announced at 18 percent above 1964 quota acreage and is designed to produce a crop of around 170 million pounds--about a fourth above the 1964 outturn.

Canada's exports of flue-cured in 1964 reached a record 48.7 million pounds--37 percent more than in 1963. The value per pound was equivalent to about 68 U.S. cents and for the principal outlets was as follows: United Kingdom (market for more than two-thirds of the total), 76 cents; West Germany, 50 cents; Soviet Union, 37 cents; Japan, 63 cents; Denmark, 64 cents; and Czechoslovakia, 55 cents. In January-March 1965, exports dropped a fourth below the high level of a year earlier, when relatively large quantities went to the Soviet Union and Czechoslovakia. Shipments to the United Kingdom, accounting for nearly 90 percent of the recent period's total, declined moderately. Significant quantities went to Hong Kong, Denmark, and Finland.

India's 1965 flue-cured crop is placed at about 195 million pounds--20 percent less than the 1964 peak production. Exports of flue-cured in 1964 rose to a record 136 million pounds--nearly a fifth above the previous year. The Soviet Union took over half of the total, sharply increasing its takings over each of the preceding 2 years. Shipments to the United Kingdom accounted for about a fourth, but declined 11 percent below 1963. About 7.8 million pounds went to Japan, compared with 3.4 million in 1963 and only a token quantity in 1962. Other outlets for Indian flue-cured in 1964 included Yugoslavia, East Germany, Belgium, Hungary, the Netherlands, and Singapore. Average values of 1964 exports to specified markets and all destinations were as follows (in U.S. cents per pound): Soviet Union, 22; United Kingdom, 55½; Japan, 32; Belgium, 21; the Netherlands, 20; Singapore, 36; all destinations, 31.

The 1964 crop of oriental tobacco in Turkey is estimated at 390 million pounds, more than a third above 1963 and by far the largest on record. Exports in 1964, at about 126 million pounds, were 28 percent above the abnormally low level of 1963 but substantially below the all-time high of 200 million in 1962. The two ranking outlets in 1964 were the United States, accounting for over three-fifths, and West Germany, accounting for about an eighth. Exports, ranging from about 2 to 4 million pounds each, were made to Poland, Hungary, East Germany, Switzerland, Italy, and Belgium. The average value per pound for 1964 exports was equivalent to about 74 U.S. cents, compared with 70 cents in 1963, 49 cents in 1962, and about 46 cents in 1961. Exports in 1965 are expected to increase considerably in view of large available supplies and lower grower prices for the Aegean crop, which makes up a major part of Turkey's tobacco production.

Oriental tobacco production in Greece in 1964 is estimated at about 290 million pounds--a record high and about 4 percent above 1963. Exports in January-March 1965, at 44 million pounds, were 9 percent less than a year earlier. However, for the full calendar year, exports may be larger than in 1964 in view of larger supplies and lower grower prices. Stocks of oriental tobacco, from 1963 and prior crops, amounted to 81 million pounds on May 1, 1965 --about double those a year earlier. Greece produced nearly 8 million pounds of burley in 1964, and preliminary estimates indicate that the 1965 acreage may increase about 8 percent over 1964. Burley production has increased rapidly since first plantings were made in 1960. The crop is produced entirely for export.

British Tobacco Situation

The United Kingdom imported 267 million pounds of unmanufactured tobacco from all sources in July 1964-April 1965, about 7 percent less than a year earlier. As usual, flue-cured tobacco comprised over nine-tenths of the total. Tobacco imports from the United States dropped 21 percent to 114 million pounds, while those from Rhodesia, Zambia, and Malawi (formerly Federation of Rhodesia and Nyasaland) increased 15 percent. Receipts from Canada rose moderately, and from India, a little. Imports from the United States made up 43 percent of the total, compared with 50 percent a year earlier and 49 percent 2 years earlier. Commonwealth sources provided 55 percent of total imports in July 1964-April 1965, compared with 48 percent a year earlier and 49 percent 2 years earlier.

On April 7, 1965, duties were raised on tobacco imported into the United Kingdom. The customs duty on unmanufactured tobacco (containing 10 percent or more moisture) was increased by the equivalent of $1.40 a pound, resulting in a full rate (applicable to non-Commonwealth countries) equivalent to $12.23 a pound and a Commonwealth preference rate equivalent to $12.01½. The preferential margin accorded Commonwealth countries, which include Rhodesia, India, and Canada, remains about 21½ cents a pound, equal to a little less than 2 percent.

The increase in duty rates was followed by a rise in the price of standard untipped cigarettes, from the equivalent of 69 cents to 76 cents

Table 14.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks Dec. 31 3/	Gross clearances from bond 4/			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
	From U. S. 2/	From Commonwealth countries 2/	Total		Non-preferential 2/	Preferential 2/	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	293	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	529	169	135	304	41	3
1958	164	145	316	529	172	138	310	41	2
1959	140	157	301	509	171	144	315	34	2
1960	178	180	365	538	167	152	319	31	5
1961	157	182	345	563	161	156	317	31	3
1962	106	168	280	540	153	154	307	28	4
1963	145	174	325	536	155	159	314	29	3
1964 5/	123	181	313	541	146	163	309	26	4
July-April									
1960-61	166	154	324	6/510	*124	*114	*238	26	2
1961-62	154	136	293	6/528	*116	*114	*230	24	3
1962-63	115	115	237	6/495	*116	*118	*234	24	3
1963-64	145	138	288	6/515	*114	*120	*234	22	3
1964-65	114	147	267	6/491	*109	*129	*238	24	2

1/ Unmanufactured tobacco. 2/ The full duty rate on tobacco from the United States and other nonpreferential areas is about 2 percent above the preferential rate on tobacco from Commonwealth areas. 3/ Beginning with 1957, stocks not strictly comparable with prior years. 4/ Largely withdrawals for manufactures for home use and export. 5/ Subject to revision. 6/ Stocks as of March 31 in the latter year specified. *July-March.

Compiled from official United Kingdom sources.

per pack of 20; prices of regular-size filter-tipped cigarettes increased from 58 cents to 64 cents a pack. These price changes are expected to provide additional impetus to sales of filter-tipped cigarettes, which in 1964 accounted for 42 percent of total cigarettes sales, compared with 33 percent in 1963 and 26 percent in 1962.

The recent increase in duty rates, equal to about 13 percent, follows a 9 percent rise in April 1964, and is the seventh increase since the end of World War II. In recent years, British import duties on flue-cured tobacco from the United States and Rhodesia generally have been from 10 to 13 times their average declared values per pound. Duties account for nearly 80 percent of the retail price of popular brands of cigarettes.

In the United Kingdom, gross clearances of tobacco from bond are an approximate measure of use for domestic consumption and exports. In the 9 months ended March 31, 1965, gross clearances totaled about 238 million pounds, of which 222 million were flue-cured. Compared with a year earlier, total clearances were up 1.7 percent and those of flue-cured, 1.9 percent, due mainly to a spurt in March 1965. However, gross clearances of U. S. flue-cured declined nearly 6 million pounds, or 5 percent, during the 9-month period, whereas those of Rhodesian flue-cured increased almost 8 million pounds, or 13 percent, and Canadian flue-cured increased about 3 million pounds, or 14 percent; gross clearances of Indian flue-cured were down about 1 million pounds, or 4 percent. U. S. flue-cured made up 46.5 percent of reported total clearances of flue-cured; a year earlier the proportion was 49.0 percent and 2 years earlier it was 49.4 percent.

During July 1964-March 1965, British consumption of tobacco (net clearances from bond) was 1.4 percent higher than a year earlier. Net clearances in the second half of 1964 ran behind the like period a year earlier, but rose substantially in the first quarter of 1965, principally because of a sharp increase in March. A factor in the March upsurge may have been anticipation of the higher prices that resulted from the import duty increases announced early the following month.

British consumers spent the equivalent of nearly $3.8 billion on tobacco products in 1964--4½ percent more than in 1963. The rise was due to increased prices, as sales of cigarettes--accounting for over 85 percent of tobacco consumption--were down slightly, as were those of smoking tobacco, which comprises most of the remaining consumption.

Most of the United Kingdom's tobacco exports consist of cigarettes. The United Kingdom ranks second only to the United States in the exportation of cigarettes. British tobacco exports have been trending downwards for some years, but in July 1964-April 1965, they were 9 percent above a year earlier. Among the principal markets, more British cigarettes than a year earlier were shipped to Kuwait, Hong Kong, West Germany, Persian Gulf States, French Somaliland, Togo Republic, and Gambia, but fewer went to Aden, Malaysia, Sudan, France, Gibraltar, and Cyprus.

Manufacturers' stocks of leaf tobacco in the United Kingdom on March 31, 1965, totaled 491 million pounds--24 million less than a year earlier and lowest for that date in 5 years. Stocks of U.S. flue-cured, at 219 million pounds, dropped 13 percent below the year-earlier level, and were the smallest March 31 holdings in 10 years. Stocks of Rhodesian flue-cured were 130 million pounds, a gain of 10 percent, and the largest for that date on record. Holdings of Canadian flue-cured, at 55 million pounds, were up a little, but those of Indian flue-cured, about 49 million, were 8 percent lower than a year earlier. British stocks of Malawi dark fire-cured and air- and sun-cured were down moderately, but stocks of air- and sun-cured from India rose nearly a sixth.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN-GROWN TOBACCO 2/

U.S. imports for consumption of foreign-grown tobacco during January-April 1965 were 26 percent larger than a year earlier, due mainly to a jump in imports of cigarette leaf. Imports of scrap (small pieces of leaves used in cigars) also increased.

Cigarette leaf imports for consumption rose 29 percent over January-April 1964, when cigarette production declined substantially. Compared with the like 1964 period, cigarette production in January-April 1965 rose 12 percent. Cigarette leaf imports for consumption reported for January 1965 were unusually large, and may have compensated for an unusually low December 1964 total. January-April 1965 imports from Turkey and Greece increased 17 and 47 percent respectively; those from Yugoslavia also rose sharply.

January-April 1965 general imports of cigarette leaf--which include quantities going into bonded warehouses in addition to those entering consumption channels upon arrival--were 36 percent above a year earlier. General imports from Turkey increased sharply, but those from Greece declined about an eighth. The average value per pound of general imports during January-April 1965 was about 75 cents--nearly 11 cents a pound below a year earlier. The decline in average value of Greek leaf was greater--both on an absolute and relative basis--than for Turkish leaf.

Stocks of foreign-grown cigarette and smoking tobacco in the United States on April 1, 1965, totaled about 277 million pounds--about 2 million greater than a year earlier but 26 million less than record holdings 2 years earlier.

Imports of scrap tobacco for consumption were 18 percent larger than in January-April 1964; increases in imports of Philippine, Dominican, and Brazilian scrap accounted for most of the gain. Cigar filler imports were moderately below a year earlier. Imports for consumption of Cuban tobacco (withdrawals from stocks brought into the United States prior to the start of the embargo in early 1962) were only about 800,000 pounds (declared weight),

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2/ Imports of tobacco are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 15.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1957-61	1962	1963	1964 1/	January-April 1964 1/	January-April 1965 1/	1965 as a percentage of 1964
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent
Cigarette leaf:							
Unstemmed:							
Turkey	69.5	82.4	84.5	72.3	24.1	28.2	117
Greece	30.0	32.1	28.8	30.9	8.8	12.9	147
Yugoslavia	4.8	7.3	9.6	10.2	3.0	4.9	163
Italy	1.7	1.4	1.7	1.6	.3	.9	300
Cyprus	1.0	.6	.6	.8	.3	.2	67
Syria	.9	.6	.4	.4	.2	.1	50
Total 2/	110.4	127.2	129.0	118.8	37.5	48.5	129
Cigar leaf (filler):							
Cuba:							
Stemmed	7.8	2.9	1.0	.5	.2	.1	50
Unstemmed	3.7	3.0	1.4	1.5	.4	.3	75
Philippine Republic							
Stemmed	.2	.1	.9	.4	.2	0	---
Unstemmed	.1	.1	3/	3/	3/	0	---
Colombia	.1	.8	.2	.3	3/	3/	---
Brazil	.1	.5	.6	.8	.2	.2	100
Paraguay	.1	.3	.1	.1	.1	.2	200
Dominican Republic	.1	.8	.3	.7	.2	.2	100
Mexico	0	.2	.6	.8	.2	.4	200
Total 2/	12.3	8.9	5.3	5.9	1.8	1.6	89
Scrap:							
Cuba	13.7	6.4	3.3	2.3	1.0	.4	40
Philippine Republic	7.9	10.1	12.9	14.1	4.2	4.8	114
Peru	.4	0	.2	3/	3/	3/	---
Colombia	.3	3.2	5.3	8.0	2.5	2.1	84
Dominican Republic	.3	3.0	5.2	9.3	2.6	3.4	131
Netherlands	.1	3/	.1	.1	3/	3/	---
Indonesia	.1	.6	1.0	2.1	.5	.6	120
Brazil	3/	.3	1.9	3.8	.8	1.5	188
Argentina	3/	.3	.4	.5	.1	.2	200
Paraguay	3/	.2	.4	.6	.2	.2	100
Total 2/	23.6	26.3	33.0	42.9	12.5	14.8	118
Cigar wrapper (unstemmed):							
Cuba	.6	.5	.2	.1	3/	3/	---
Cameroon Republic	0	0	3/	3/	3/	3/	---
Honduras	0	0	3/	3/	3/	3/	---
Total 2/	.6	.5	.3	.2	.1	.1	100
Total imports 4/	147.8	163.2	167.8	168.7	51.9	65.4	126

1/Preliminary.
2/Includes relatively small quantities from other countries not separately listed.
3/Less than 50,000 pounds.
4/Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 16.--United States general imports of tobacco, quantity and average value per pound, 1958-62 average, 1963, 1964, and January-April 1965

Classification and country of origin	1958-62		1963		1964		Jan.-April 1965	
	Quantity	Average value per pound	Quantity	Average value per pound	Quantity	Average value per pound	Quantity	Average value per pound
	Mil. lb.	Ct.	Mil. lb.	Ct.	Mil. lb.	Ct.	Mil. lb.	Ct.
Cigarette leaf (unstemmed)								
Turkey	88.9	57.8	67.4	70.1	68.1	76.2	51.2	72.6
Greece	31.7	75.0	41.7	98.7	46.4	93.0	20.9	81.2
Other countries	15.3	62.4	11.0	70.0	18.7	77.1	12.1	73.3
Total	135.9	62.3	120.1	80.0	133.2	82.2	84.2	74.8
Scrap:								
Turkey	1.0	5.0	.7	7.2	.1	3.7	1.3	8.2
Greece	.1	7.7	0	---	0	---	---	---
Cigar wrapper (unstemmed)								
Cuba 3/	.5	372.9	0	---	0	---	0	---
Cameroon Republic	1/	---	.1	345.3	.1	450.1	0	---
Honduras	0	---	.1	400.0	.1	444.3	1/	---
Total 2/	.6	378.5	.2	418.0	.2	448.3	.1	514.2
Cigar filler (stemmed)								
Cuba 3/	6.7	152.3	0	---	0	---	0	---
Philippine Republic	.2	31.6	2.3	29.7	1.2	29.2	.5	30.5
Brazil	1/	---	1.9	83.9	.2	64.4	.1	66.7
Mexico	1/	---	.2	75.1	.5	89.7	.1	77.9
Dominican Republic	0	---	.2	131.1	.5	139.3	.4	127.9
Honduras	1/	---	.1	102.9	.2	138.4	.1	120.0
Total 2/	7.0	146.0	5.1	61.7	3.1	79.8	1.1	86.8
Cigar filler (unstemmed)								
Cuba 3/	16.5	71.5	0	---	0	---	0	---
Philippine Republic	1.5	10.0	.1	30.1	1.2	19.1	.3	24.7
Dominican Republic	3.0	28.0	6.5	38.5	22.1	39.3	2.3	52.9
Colombia	3.0	25.4	8.8	29.4	17.3	29.2	5.5	33.0
Brazil	.7	48.2	2.3	48.8	10.2	40.7	6.0	58.3
Paraguay	.6	17.0	.8	19.1	1.2	19.1	.9	20.1
Indonesia	.7	39.2	1.9	48.8	6.2	55.6	.8	53.8
Netherlands	.3	41.8	1/	---	.2	23.9	0	---
Peru	1.3	10.5	0	---	0	---	.3	14.9
Argentina	.1	18.0	1/	---	1.6	22.4	1/	---
Mexico	.1	33.3	.9	33.9	2.1	37.5	.1	53.0
Jamaica	.1	34.4	1/	---	0	---	0	---
Other countries	1/	---	.2	109.2	.4	37.0	.2	121.6
Total	27.9	52.4	21.7	36.6	62.5	37.0	16.4	45.8
Scrap:								
Cuba 3/	6.6	57.5	0	---	0	---	0	---
Philippine Republic	8.8	30.2	10.2	29.5	15.0	29.3	11.3	25.8
Dominican Republic	1/	---	.6	50.4	1.1	51.4	.3	57.3
Colombia	1/	---	1/	---	0	---	0	---
Brazil	.1	38.0	.1	58.1	.8	34.0	0	---
Paraguay	.1	18.1	.1	28.0	.1	28.4	1/	---
Indonesia	1/	---	1/	---	.3	64.8	1/	---
Netherlands	.1	26.4	.2	46.6	0	---	0	---
Argentina	.1	47.0	.4	52.0	.3	58.9	1/	---
Honduras	1/	---	1/	---	.1	55.9	1/	---
Other countries	.6	12.9	.4	24.8	.6	38.1	.1	40.7
Total	16.4	40.7	11.9	31.4	18.4	32.3	11.7	26.8
Total cigar tobacco	51.9	64.9	38.9	40.2	84.1	38.7	29.3	41.9
Grand total	188.9	62.7	159.9	70.0	218.0	65.3	114.8	65.6

1/ Less than 50,000 pounds. 2/ Includes quantities from other countries not separately listed. Details may not add to total, due to rounding. 3/ Imports from Cuba were embargoed February 1962. See June 1964 Tobacco Situation, page 29, for 1958-61 averages. Note: General imports include all arrivals in the United States as distinguished from "imports for consumption" which represent merchandise entering into domestic consumption channels.

compared with approximately 1½ million pounds in the first third of 1964 and about 2½ million in the first third of 1963. April 1, 1965, stocks of Cuban tobacco in the United States were 11¼ million pounds (unstemmed weight); a year earlier they were 16.9 million, and 2 years earlier, 25.5 million.

General imports of cigar tobacco during January-April 1965 were 40 percent above a year earlier due mainly to larger arrivals from the Philippine Republic. Arrivals from Brazil, Indonesia, and Paraguay also increased, but those from the Dominican Republic declined sharply, and from Colombia, declined moderately. General imports of cigar tobacco and their average values per pound during January-April 1965 and in prior years are shown in table 16.

On April 1, 1965, stocks of Philippine tobacco in the United States amounted to 31½ million pounds (unstemmed weight), double the holdings 1 and 2 years earlier and by far the largest on record. From 1960 to 1964, stocks of Philippine tobacco in this country ranged from about 12 to 18 million pounds. Combined stocks of cigar leaf other than Cuban and Philippine totaled 66 million pounds--almost twice year-earlier holdings. Stocks by source of importation, in farm-sales weight equivalent, are shown on page 48.

THE ACREAGE-POUNDAGE LAW AND START OF THE PROGRAM FOR FLUE-CURED TOBACCO

On April 16, 1965, the President approved legislation which provides tobacco growers an opportunity to adopt a new program--an acreage-poundage program--for maintaining tobacco production in line with demand. Growers of flue-cured tobacco have already adopted this program.

Under the new acreage-poundage program, farm marketing quotas stated in pounds, together with matching acreage allotments, are apportioned among growers. (Under the acreage allotment program, there is no limit on the quantity a grower can market with price support without being subject to penalty, as long as he complies with his farm acreage allotment.) To adopt the acreage-poundage program on a kind of tobacco, more than two-thirds of the growers voting in a referendum must favor it. Growers of each kind of tobacco continue to decide in their own referendums whether or not they favor a limitation on their next 3 crops. If during the first or second marketing year of such a 3-year period when an acreage allotment program is in effect for a kind of tobacco, the Secretary of Agriculture determines that acreage-poundage quotas would result in a more effective program, he will announce a national quota, a national acreage allotment, and the national average yield goal. A special referendum would then be held within 45 days of this announcement to determine whether growers favor marketing quotas on an acreage-poundage basis for the next 3 marketing years.

For kinds of tobacco other than flue-cured, the new law requires that by January 1, 1966, representatives of all segments of the tobacco industry, including growers, farm organizations, and cooperatives, shall be consulted in meetings for each kind of tobacco to determine their need for an acreage-poundage program; also, the Secretary of Agriculture is required to conduct a study and report to Congressional committees on the experience with the program and modifications needed to improve it. Further, the law specifies that the

Secretary shall not make an acreage-poundage program determination for these other kinds of tobacco until public hearings have been held to ascertain and consider attitudes of producers and other interested persons on acreage-poundage quotas. If an acreage-poundage determination is made and more than two-thirds of the growers voting do not approve of marketing quotas under such a determination, the acreage allotment program would continue in effect.

In determining the national marketing quota under the acreage-poundage program, the Secretary determines the amount desirable for maintaining an adequate supply or for effecting an orderly reduction of supplies. The law requires, however, that any downward adjustment to the "reserve supply level" (as defined in the long-standing basic legislation) shall not be more than 15 percent of the domestic utilization and exports estimated for the marketing year for which the quota is being determined.

The new law contains some provisions that pertain specifically to burley tobacco. One permits a grower, only in the first year that an acreage-poundage program is in effect for burley, to market up to 20 percent (other kinds, 10 percent) more than his burley marketing quota without paying penalty; after the first year, the maximum for penalty-free overmarketings of burley is also 10 percent. (Overmarketings are deducted from a grower's marketing quota for the following year, as noted below.) Another provides for minimum allotments and farm marketing quotas for burley. After the first year an acreage-poundage program is in effect for burley tobacco, the minimum farm allotment cannot be less than the smallest of (a) the acreage allotment established for the farm for the first year, (b) 0.5 acre, or (c) 10 percent of the cropland. The minimum farm marketing quota, again after the first year of an acreage-poundage program for burley, cannot be less than the minimum allotment multiplied by the farm yield established for the first year.

On May 4, 1965, growers of flue-cured tobacco--the kind that accounts for about one-half of the tobacco consumed domestically and about four-fifths of the total exports of tobacco--voted to place the new acreage-poundage program in effect on their 1965, 1966, and 1967 crops. Preliminary results indicate about a 3 to 1 ratio favoring it. Therefore, for this kind of tobacco, the acreage-poundage program has superseded the acreage allotment program that had been in effect every year from 1940 through 1964.

Under the acreage-poundage program, the 1965 national marketing quota for flue-cured is 1,126 million pounds, a level that will provide a needed downward adjustment in the total supply--currently very large because of a record carryover. Matching the marketing quota is a national acreage allotment of 607,335 acres--5 percent below the 1964 acreage allotment. Under the superseded acreage allotment program, the 1965 acreage allotment had been set at 515,425 acres, about 19½ percent below the 1964 allotment. Under the new program, the 1965 acreage allotment can be larger because limits are placed on the number of pounds that can be marketed without penalty.

The national marketing quota was apportioned among farms as follows:

1. An acreage allotment (18 percent above the superseded 1965 allotment) and the highest 3-year average yield per acre realized during 1959-63 were determined for each farm. (In accordance with the law, when a farm's average yield was below 80 percent of the community average yield, it was adjusted upward to the 80 percent level; when a farm's average yield was above 120 percent of the community average yield, it was adjusted downward by averaging the farm's yield with the "national yield goal", but not below the 120 percent level).
2. The allotment and yield data for all farms were summarized to calculate the national average yield per acre, and this was then compared with the "national yield goal"--the desirable level based on research.
3. The "national yield goal" was $6\frac{1}{2}$ percent lower than the national average yield based upon the summarization in step 2. This percentage reduction was applied uniformly to each individual average farm yield as determined in step 1.
4. Each farm's average yield, adjusted as in step 3, was multiplied by the farm's revised 1965 acreage allotment to set the poundage quota for the farm.

A grower can market up to 10 percent more than his poundage quota without paying a penalty, but any marketings above that quota will be deducted from the farm's quota the following year. Price support is available on these excess marketings up to the 10 percent maximum. If a grower markets less than his poundage quota in any year, the undermarketings will be added to the farm's quota for the following year.

Under the acreage-poundage law, if the Secretary of Agriculture determines it is desirable to encourage the marketing of grade N_2 tobacco, or any grade not price-supported, to meet the normal export and domestic demand, he may authorize up to 5 percent of the farm marketing quota as additional marketings not subject to penalty or deduction from subsequent quotas. On June 22, 1965, the Secretary announced that all flue-cured tobacco marketed during the 1965-66 marketing year will be charged against the acreage-poundage quota established for the farm on which the tobacco was grown. The unusually large quantities in the 1964 and 1963 crops that fell in the N_2 grade and other non-price-supported categories indicate above-normal quantities in inventories. Supplies are determined fully adequate to meet normal demands and hence no provision will be made for marketing such tobacco in excess of farm poundage quotas during the 1965-66 marketing year.

The acreage-poundage program will be advantageous to growers because: (1) with larger acreages than under an allotment program, they can follow cultural practices that will improve the quality of tobacco--vital to expanding

the market, especially the export market; (2) they can effectively balance supplies with demand and prevent future surpluses; (3) individually, they can retain their fair shares of the market without racing against neighbors and producers in other areas to get ever-higher per acre yields, often at the expense of quality; and (4) when they fall short of their quota due to crop failure or other reasons, they can make up the shortage by adding the amount of their undermarketings to their next year's quota.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured, Types 11-14

1965-66 Supplies

Under the new acreage-poundage program, acreage for harvest in 1965 will be somewhat larger than was indicated by planting intentions as reported on March 19, 1965, by the USDA Crop Reporting Board. In March, when data on intended acreage were being collected, acreage allotments under the superseded acreage allotment program had been cut 19½ percent below 1964. Under the acreage-poundage program, 1965 acreage allotments have been set at 5 percent below 1964, but limits have been set on penalty-free marketings. An estimate of acreage for harvest and the first forecast of the 1965 production of flue-cured will be released by the USDA Crop Reporting Board on July 9, 1965.

Growers can market up to 110 percent of their farm quotas without penalty, but these growers will have their overmarketings deducted from their 1966 farm quotas. For growers who market less than their quotas, the quantity of undermarketings will be added to their 1966 farm quotas. The national marketing quota for 1965 flue-cured is 1,126 million pounds. Some farmers will produce more than their farm quotas and avail themselves of some part of the 10 percent allowable penalty-free overmarketings; therefore, total marketings probably will exceed 1,126 million pounds and might approximate 1,175 million pounds. If so, total marketings in the 1965 season would be down from a year earlier by more than 200 million pounds (15 percent) and be the smallest marketings in 6 years.

Carryover of flue-cured on July 1, 1965, is estimated near 2,540 million pounds--over 150 million above a year earlier and the largest on record. If marketings this year approximate 1,175 million pounds, the total supply for 1965-66 would be about 3,715 million pounds--roughly 60 million lower than the record 1964-65 level.

Domestic Use and Exports

Partial-year data indicate that domestic use in the marketing year just ending (July 1964-June 1965) may be about 790 million pounds--approximately 20 million more than in 1963-64 and the most in 4 years. While available data provide a fairly good approximation of domestic use, they do not measure it precisely in a given 12-month period. Cigarette output, the predominant outlet, increased an estimated 4 to 5 percent in 1964-65 from a year earlier, while

Table 17 .--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	1,257	1,485	2,742	1,185	757	428
1951	1,453	1,557	3,010	1,279	777	502
1952	1,365	1,731	3,096	1,244	828	416
1953	1,272	1,852	3,124	1,209	778	431
1954	1,314	1,915	3,229	1,173	744	429
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	736	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	*1,235	*790	*445
1965	5/(1,175)	* 2,540	*3,715			

Year	Average price per pound	Price support level 2/	Placed under Government loan		Remaining in Government loan stocks on May 31, 1965 3/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	54.7	45.0	77.6	6.2	0
1951	52.4	50.7	142.2	9.8	0
1952	50.3	50.6	4/165.0	12.1	0
1953	52.8	47.9	151.4	11.9	0
1954	52.7	47.9	130.2	9.9	0
1955	52.7	48.3	298.9	20.2	0
1956	51.5	48.9	319.9	22.5	0
1957	55.4	50.8	107.8	11.1	26.9
1958	58.2	54.6	144.8	13.4	46.9
1959	58.3	55.5	55.3	5.1	17.9
1960	60.4	55.5	51.8	4.1	30.9
1961	64.3	55.5	70.5	5.6	53.6
1962	60.1	56.1	237.2	16.8	222.8
1963	58.0	56.6	277.2	20.2	231.8
1964	58.5	57.2	285.6	20.7	272.3
1965		57.7			
Total	---	---	2,515.4	---	903.1

1/ Year beginning July 1. 2/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 3/ As reported by Flue-cured Tobacco Cooperative Stabilization Corporation; actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 4/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 5/ Not indicated production, but an approximation of marketings.

*Preliminary estimates.

the increase in use of flue-cured approached 3 percent. A greater proportion of cigarette output was filter tips than in 1963-64. Filter tips require less tobacco per unit of output than non-filter tip cigarettes.

Exports of flue-cured tobacco in 1964-65 are estimated at about 445 million pounds (farm-sales weight)--about 10 percent lower than in 1963-64 and 4 percent below the recent 5-year average.

The United Kingdom is the leading export outlet; British consumption of cigarettes in 1964 topped 1963 by 1 percent, but in terms of manufactured weight of tobacco, consumption was down about 3 percent. Filter tips comprised over two-fifths of the total sales. During July 1964-April 1965, U. S. exports of flue-cured (unstemmed equivalent) to the United Kingdom were down 16 percent from the corresponding period of 1963-64.

West Germany, second ranking outlet, took 8 percent less in July 1964-April 1965 than a year earlier; shipments to Japan and the Netherlands, third and fourth ranking outlets, were each down about 30 percent. Other sizable outlets taking notably less than a year earlier were Ireland, Belgium, Sweden, Denmark, Portugal, Austria, and Finland, but more went to Switzerland, France, and Italy. Only a negligible quantity went to Spain, in contrast with a significant quantity a year earlier. Shipments to New Zealand, Norway, and Poland about equalled those of a year earlier. The July 1964-April 1965 takings of Australia were more than one-fifth below a year earlier, but shipments increased appreciably to Thailand, South Vietnam, Hong Kong, Taiwan, Malaysia, and Congo Republic.

Prices and Price Support

The 1964 crop of flue-cured brought an average of 58½ cents per pound--one-half cent higher than 1963. The Government support level for the 1964 crop was 57.2 cents per pound. About one-fifth of the crop went under Government loan--virtually the same proportion as in 1963. Government loan stocks of flue-cured on May 31, 1965 were 903 million pounds (farm-sales weight), highest for that date on record.

The overall price support level for the 1965 crop is 57.7 cents per pound, nearly 1 percent above 1964. The increase is based on the change in the parity index between 1959 and the recent 3-year average (1962-64). The parity index measures average change over a period of time in the prices of commodities and services commonly bought by farm families.

In Georgia-Florida, where for many years all flue-cured marketings have been untied, price support is available throughout the marketing season for all grades on an untied basis. In the markets of South Carolina, North Carolina, and Virginia for the fourth year, price supports will be available on untied flue-cured of certain grades for a limited period. In the first 7 sale days, prices will be supported for untied flue-cured graded as lugs, primings, and

nondescript grades thereof in type 11(a), 11(b), 12, and 13 markets. Tied tobacco of all grades will receive price support during the entire marketing season. Price support on 1965 tied tobacco will be 3 cents per pound higher than for untied tobacco. For the past 4 years this differential was 6 cents per pound; however, there has been a marked narrowing in market prices for tied and untied tobacco. In 1964 and 1963, market prices for tied tobacco averaged only about 1 or 2 cents higher than prices for untied tobacco, whereas in 1962 and 1961 they averaged $4\frac{1}{2}$ to 6 cents higher.

Burley, Type 31

1965-66 Supplies

Burley acreage for 1965 is down an indicated 10 percent from 1964, reflecting a similar percentage cut in acreage allotments for most farms. Based on an average yield per acre, with allowance for trend, the 1965 burley crop would be 638 million pounds--about 3 percent larger than the 1964 crop. Last year, the average per acre yield for the belt dropped a tenth below the 1963 record high due to drought in some areas, but still exceeded any other year.

Carryover on October 1, 1965 (beginning of the 1965-66 marketing year) is expected to be near 1,440 million pounds--approximately 30 million more than a year earlier and above any other previous October 1. If this year's crop should be near 638 million pounds, total 1965-66 supplies--production plus indicated carryover--would be around 2,078 million pounds, 2 percent more than for the current year and largest on record.

Domestic Use and Exports

In the year ending September 30, 1965, domestic use of burley may be about 535 million pounds--4 percent more than in 1963-64 when it declined for the first time in 6 years. This would be an unusually large year-to-year gain; compared with those of recent years. Cigarette manufacture--principal domestic outlet for burley--will likely show a substantial increase above the reduced 1963-64 level and will probably exceed any previous marketing year total. On the other hand, output of smoking tobacco--a secondary outlet for burley--is expected to decline moderately in the year ending September 30, 1965; output of plug, twist, and fine-cut chewing tobacco--another secondary outlet for burley--may be down some. In the first seven months of the current marketing year, manufacture of cigarettes was 8 percent above the depressed level a year earlier. Compared with the like period of 1963-64, production of smoking tobacco in October 1964-April 1965 dropped 13 percent, while combined output of plug, twist, and fine-cut chewing tobacco was a little lower.

Exports of burley in 1964-65 may approximate the record 57 million pounds (farm-sales weight) of the previous year. In the first 7 months of the current marketing year, burley exports were about 4 percent above the same period a year ago. A recent purchase authorization under Title I, P. L. 480 provides

Table 18.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	499	1,000	1,499	518	488	30
1951	618	981	1,599	538	506	32
1952	650	1,061	1,711	548	519	29
1953	564	1,163	1,727	529	494	35
1954	668	1,198	1,866	519	486	33
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	*592	*535	*57
1965 2/	*638	*1,440	*2,078			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on May 31, 1965 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	49.0	45.7	44.2	8.9	0
1951	51.2	49.8	97.3	15.7	0
1952	50.3	49.5	103.9	16.0	0
1953	52.5	46.6	102.1	18.1	0
1954	49.8	46.4	221.4	33.2	0
1955	58.6	46.2	73.1	15.6	0
1956	63.6	48.1	6.0	1.2	0
1957	60.3	51.7	16.6	3.4	1.9
1958	66.1	55.4	11.2	2.4	.6
1959	60.6	57.2	13.2	2.6	.7
1960	64.3	57.2	8.4	1.7	.4
1961	66.5	57.2	10.3	1.8	1.6
1962	58.6	57.8	63.5	9.4	53.2
1963	59.2	58.3	203.1	26.9	155.1
1964	60.2	58.9	110.4	17.8	110.4
1965		59.5			
Total	---	---	1,084.7	---	323.9

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.
*Preliminary estimates--production based on an average yield with an allowance for trend.

for about 9½ million pounds of tobacco to Egypt, some of which will likely be burley which could move out in the current marketing year. The shipping period under this authorization is June 30-October 31, 1965. In October 1964-April 1965 compared with a year earlier, more burley was exported to West Germany, Mexico, Denmark, Hong Kong, Belgium, Switzerland, Chile, Republic of the Congo, and France; reduced exports went to Sweden, the Netherlands, Poland, Austria, Thailand, Finland, and Egypt.

Prices and Price Support

The average price for the 1964 burley crop was 60.2 cents a pound--1 cent above 1963. Last season, growers placed about 110 million pounds--18 percent of the crop--under loan, the second largest quantity and percentage in 10 years. As of May 31, 1965, Government loan stocks of burley amounted to 324 million pounds (farm-sales weight equivalent). These stocks compared with holdings as of the same date in recent years as follows: 1964, 293 million pounds; 1963, 94 million; 1962, 34 million.

The 1965 price-support level is 59.5 cents a pound--0.6 cent or 1 percent above the level for the 1964 crop.

Maryland, Type 32 3/

1965-66 Supplies

According to farmers' intentions as of March 1, Maryland acreage this year will be 13 percent less than in 1964. The 1965 allotments for most farms were reduced 15 percent. Based on an average yield with allowance for trend, about 34.8 million pounds would be produced from the 1965 intended acreage--about 6 million below the 1964 estimated outturn. Carryover next January 1 may be near 91 million pounds--about a tenth above last January 1 and a new high. The 1965-66 indicated total supply, at about 126 million pounds, is about 2 percent more than for the current year and the largest on record.

Domestic Use and Exports

Domestic use of Maryland tobacco during October 1964-September 1965 may be close to the 18½ million pounds of 1963-64, which was the lowest in many years. The domestic use of Maryland tobacco has dropped sharply from the levels of the 1950's, when it averaged 28½ million pounds in 1950-54 and approximately 23½ million in 1955-59. The chief domestic outlet for Maryland is in the manufacture of cigarettes, but the quantity used for this

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year (the 12-month period, October 1 through September 30). Disappearance is calculated on the October-September basis.

Table 19.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	40.0	53.4	93.4	35.5	27.1	8.4
1951	41.6	59.3	100.9	33.3	26.7	6.6
1952	40.2	64.9	105.1	40.3	32.5	7.8
1953	40.5	65.4	105.9	36.4	28.4	8.0
1954	43.8	68.6	112.4	36.1	27.9	8.2
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964 3/	41.0	82.0	123.0	*30.5	*18.5	*12.0
1965 3/	*34.8	*91.0	*125.8			

Year	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on May 31, 1965 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	48.2	48.6	5.5	13.8	0
1951	44.8	No price support 6/			
1952	48.8	No price support 6/			
1953	54.5	50.4	6.7	16.5	0
1954	40.3	No price support 6/			
1955	50.8	No price support 6/			
1956	51.7	47.0	3.3	9.0	0
1957	44.9	48.0	5.9	15.3	1.6
1958	62.5	50.8	1.1	3.6	.2
1959	61.6	No price support 6/			
1960	63.8	50.8	1.6	4.6	.4
1961	62.0	50.8	3.7	9.5	1.2
1962	55.8	51.3	6.0	14.8	2.7
1963	43.2	51.8	10.4	30.6	10.2
1964	*62.7	52.3	7/	7/	7/
1965		52.8			
Total	---	---	44.2	---	16.3

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. 7/ Through June 22 about 3.2 million pounds, 10 percent of deliveries.

*Preliminary estimates--production based on an average yield with an allowance for trend; price is auction market average through June 22.

purpose is estimated to have declined substantially despite an increase in cigarette output. Some Maryland tobacco is also used as cigar filler, depending upon the availability and prices of certain grades.

Exports of Maryland tobacco in 1964-65 may approximate 12 million pounds (farm-sales weight)--around 4 percent below the previous year. In the first 7 months of the current marketing year, exports were nearly a fifth lower than a year earlier, but are expected to pick up in the remaining months. Shipments to Switzerland, accounting for over three-fifths of the total, declined 5 percent, and those to West Germany were only about half the year-earlier figure. There were also reductions in exports to Belgium, the Netherlands, and France, while none was reported exported to Spain, which took a significant quantity a year earlier.

Prices and Price Supports

Auction sales of the 1964 Maryland tobacco crop began April 21 and will end July 9. Through June 22, auction sales totaled 31.8 million pounds and averaged 62.7 cents per pound, compared with 43.4 cents in the corresponding period last year. Sales volume was up one-third and quality of market offerings was greatly improved over that of the dry-weather 1963 crop.

In addition to the auction volume, about 2.6 million pounds have been received at the Baltimore hogshead market, which opened for competitive sealed bids on April 22. Combined market receipts of Maryland tobacco thus totaled 34.4 million pounds through June 22, about 84 percent of the estimated 1964 crop.

The overall support level for 1964 Maryland tobacco is 52.3 cents a pound. Through June 22, about 10 percent of auction market deliveries were placed under Government loan, compared with 36 percent a year earlier. The support level for 1965-crop Maryland tobacco--to be marketed next spring and summer--is 52.8 cents a pound, one-half cent or 1 percent higher than for the crop now being marketed.

Fire-Cured, Types 21-23

1965-66 Supplies

The combined 1965 acreage of fire-cured tobacco is indicated to be 7 percent below 1964. Intended acreage of the Kentucky-Tennessee types is down approximately a tenth from 1964, while that of Virginia fire-cured is a little above last year. Acreage allotments for most farms growing the Kentucky-Tennessee types were reduced 10 percent below 1964; the 1965 farm acreage allotments for Virginia fire-cured are the same as last year because of relatively lower supplies.

If yield per acre equals the average, with allowance for trend, the 1965 fire-cured crop would be close to 51 million pounds--8 percent smaller

Table 20.--Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	12.8	23.1	35.9	11.3	5.9	5.4
1951	13.4	24.6	38.0	11.0	6.3	4.7
1952	12.2	27.0	39.2	10.5	5.5	5.0
1953	9.2	28.7	37.9	11.7	6.9	4.8
1954	10.6	26.2	36.8	10.2	6.0	4.2
1955	10.5	26.6	37.1	12.7	6.7	6.0
1956	10.7	24.4	35.1	10.3	4.8	5.5
1957	8.6	24.8	33.4	9.6	4.2	5.4
1958	9.4	23.8	33.2	10.7	5.3	5.4
1959	10.0	22.5	32.5	10.3	4.9	5.4
1960	8.9	22.2	31.1	10.2	4.0	6.2
1961	9.8	20.9	30.7	10.8	5.5	5.3
1962	9.5	19.9	29.4	9.2	4.1	5.1
1963	6.2	20.2	26.4	9.6	3.0	6.6
1964	9.1	16.8	25.9	*8.8	*3.5	*5.3
1965 2/	*9.9	*17.1	*27.0			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on May 31, 1965 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	36.3	34.3	2.4	18.8	0
1951	39.2	37.4	2.6	19.4	0
1952	35.5	37.1	2.4	19.7	0
1953	35.6	35.0	.7	7.6	0
1954	34.4	34.8	2.1	19.8	0
1955	31.3	34.6	1.8	17.1	0
1956	39.5	36.1	1.7	15.9	.5
1957	38.7	38.8	1.0	11.6	.6
1958	36.9	38.8	.8	23.4	1.1
1959	37.6	38.8	.8	8.1	.4
1960	39.4	38.8	.3	3.3	.1
1961	38.8	38.8	.9	9.8	.4
1962	38.8	39.2	1.2	12.6	.4
1963	35.5	39.6	.4	6.5	.4
1964	43.1	40.0	.3	3.3	.3
1965		40.4			
Total	---	---	20.8	---	4.2

1/ Year beginning October 1.

2/ Subject to revision.

3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

*Preliminary estimates--production based on an an average yield with an allowance for trend.

Table 21.--Fire-cured tobacco, types 22-23 1/: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	45.4	141.8	187.2	64.6	30.7	33.9
1951	46.1	122.6	168.7	48.8	25.8	23.0
1952	46.0	119.9	165.9	48.3	24.2	24.1
1953	39.7	117.6	157.3	49.5	26.0	23.5
1954	51.6	107.8	159.4	48.9	23.9	25.0
1955	54.7	110.5	165.2	52.0	24.6	27.4
1956	59.9	113.2	173.1	52.3	27.5	24.8
1957	41.9	120.8	162.7	53.3	29.5	23.8
1958	33.9	109.4	143.3	44.1	24.6	19.5
1959	43.1	99.2	142.3	41.1	22.5	18.6
1960	36.5	101.2	137.7	44.9	23.9	21.0
1961	43.3	92.8	136.1	46.7	17.2	29.5
1962	44.6	89.4	134.0	40.8	21.1	19.7
1963	49.7	93.2	142.9	41.4	19.6	21.8
1964	46.0	101.5	147.5	*43.0	*19.0	*24.0
1965 3/	*41.0	*104.5	*145.5			

Year	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks May 31, 1965 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	29.7	34.3	9.8	21.6	0
1951	40.3	37.4	4.9	10.6	0
1952	38.1	37.1	8.5	18.4	0
1953	33.3	35.0	7.5	18.9	0
1954	38.5	34.8	4.8	9.3	0
1955	38.4	34.6	7.9	14.4	0
1956	36.1	36.1	18.6	31.1	.5
1957	36.4	38.8	13.9	33.1	4.7
1958	38.1	38.8	4.4	12.0	2.0
1959	38.3	38.8	5.3	12.3	3.8
1960	43.3	38.8	3.2	8.7	2.7
1961	40.2	38.8	5.1	11.8	4.4
1962	38.7	39.2	8.6	19.3	7.8
1963	36.9	39.6	13.0	26.2	11.0
1964	41.0	40.0	7.2	15.7	7.0
1965		40.4			
Total	---	---	122.7	---	43.9

1/ Type 24 included until early 1950's when it became practically nonexistent.
2/ Year beginning October 1.
3/ Subject to revision.
4/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

*Preliminary estimates--production based on an average yield with an allowance for trend.

than the 1964 crop. Carryover next October 1 may be around 121 million pounds --about 3 million higher than last October 1. Such carryover, added to the indicated crop, would provide a total 1965-66 supply approximating 172 million pounds--slightly less than for the current year.

Domestic Use and Exports

Based on early indications, domestic use of the combined fire-cured types in October 1964-September 1965 may be about 22½ million pounds--slightly below 1963-64. Domestic use of Virginia fire-cured may be up moderately from the record low of 1963-64, but would still be below other recent years. Domestic use of Kentucky-Tennessee types 22-23 may be a little smaller than in 1963-64. In the first 7 months of the current marketing year, snuff output--principal domestic use for fire-cured types--was 6 percent less than a year earlier.

Exports of fire-cured in the 1964-65 marketing year may approximate 29 million pounds (farm-sales weight)--up a little from 1963-64. Exports of Kentucky-Tennessee fire-cured may be appreciably larger than in the preceding 2 years, but those of the Virginia type may be below the relatively high 1963-64 level. During October 1964-April 1965, exports of Kentucky-Tennessee fire-cured jumped more than a sixth above the comparable 1963-64 period. The Netherlands boosted takings 34 percent but exports to France dropped 27 percent. Around 2 million pounds (farm-sales weight) went to the Republic of the Congo, in contrast to minor quantities a year earlier. Increased exports also were made to South Vietnam, Finland, and West Germany. Countries taking less than a year earlier included Switzerland, Belgium, Sweden and Denmark.

Virginia fire-cured exports in October 1964-April 1965 were 28 percent below a year earlier. Exports to the United Kingdom more than tripled, but several other major markets cut takings sharply. Norway--leading market in 1963-64--cut takings about three-fifths, and substantially less than a year ago went to Sweden, West Germany, and Switzerland.

Prices and Price Supports

The 1964 season average price for the combined fire-cured types was 41.4 cents a pound--12 percent above the relatively low average of the preceding year. Virginia fire-cured averaged a record 43.1 cents, more than a fifth above the 8-year low of the previous year, when the crop was affected by drought and frost. The season average for Kentucky-Tennessee type 22 was 42.0 cents--over a tenth above 1963 and second only to the record high of 1960. For Kentucky-Tennessee type 23, the 1964 season average, at 38.3 cents, was 9 percent above the previous year and also the second highest on record.

The Government price-support level for 1964 fire-cured was 40.0 cents a pound. Loan placements of Virginia fire-cured totaled about 268,000 pounds or about 3 percent of the crop, the lowest quantity and proportion on record. Placements of types 22 and 23 dropped below the previous year, amounting to 4.6 million and 2.6 million pounds, or 14 percent and 21 percent of the respective crops. For the 1965 fire-cured crop, the overall support level is 40.4 cents a pound--1 percent above that for the 1964 crop.

Dark Air-Cured and Sun-Cured, Types 35-37

1965-66 Supplies

The 1965 combined acreage of Kentucky-Tennessee dark air-cured and Virginia sun-cured tobacco is indicated to be 9 percent below 1964; intended acreages of both kinds are down from the previous year. The 1965 acreage allotments for most farms growing types 35-36 were reduced 10 percent from 1964. Due to relatively lower supplies, farm acreage allotments for Virginia sun-cured tobacco are the same as for 1964.

Should yield per acre equal the average, allowing for trend, 1965 production of dark air-cured and sun-cured would be about 22.7 million pounds, 7 percent smaller than the 1964 crop. Carryover of types 35-37 on October 1 (beginning of the 1965-66 marketing year) is estimated at around 65 million pounds--about the same as last October 1. The combined carryover added to the indicated crop would provide a total 1965-66 supply of about 88 million pounds--a little less than for the current marketing year.

Domestic Use and Exports

In the year ending next September 30, domestic use of dark air- and sun-cured tobacco may be about 20 million pounds--not much different from 1963-64. In the first 7 months of the current marketing year, manufacture of plug, twist, and fine-cut chewing tobacco--major domestic outlet for these types--was a little below a year earlier.

Exports of dark air-cured tobacco in 1964-65 are estimated at about $4\frac{1}{2}$ million pounds (farm-sales weight), compared with $3\frac{1}{2}$ million in the previous year. During October 1964-April 1965, exports of One Sucker leaf jumped 59 percent above a year earlier. Exports to the Republic of the Congo were nearly 6 times the relatively small quantity shipped there a year ago, and a significant quantity went to South Vietnam. But exports to Belgium were less than a third of those a year earlier. Exports of Green River leaf totaled 993,000 pounds (farm-sales weight)--nearly 3 times the year-earlier figure. The increase was also attributable to significant quantities shipped to the Republic of the Congo and South Vietnam, together with a substantial increase in exports to the United Kingdom. On the other hand, exports to Australia and Belgium declined.

A large part of U. S. exports of dark air-cured tobacco is made in the form of Black Fat--a semiprocessed product. In October 1964-April 1965, these exports were 12 percent ahead of those a year earlier. Consignments to Nigeria--leading market--rose 22 percent, and more than a year ago also went to Cameroon, Togo Republic, and Spanish Africa. On the other hand, reduced exports were made to Ghana and West Africa.

Prices and Price Supports

The 1964 season price for the combined dark air- and sun-cured tobacco crop was 37.3 cents a pound--about an eighth above the previous year's average, which was lowest in 8 years. One Sucker (type 35) averaged 37.8 cents, up

Table 22.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct.1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	25.0	76.8	101.8	32.9	22.6	10.3
1951	27.7	68.9	96.6	26.4	18.5	7.9
1952	30.1	70.2	100.3	25.2	19.2	6.0
1953	23.6	75.2	98.8	26.7	20.1	6.6
1954	30.4	72.1	102.5	25.9	16.3	9.6
1955	27.8	76.6	104.4	23.6	18.4	5.2
1956	30.7	80.8	111.5	34.0	23.4	10.6
1957	19.8	77.5	97.3	24.8	18.5	6.3
1958	16.1	72.5	88.6	25.0	17.5	7.5
1959	19.3	63.6	82.9	21.9	16.4	5.5
1960	18.2	61.0	79.2	22.0	17.3	4.7
1961	20.6	57.2	77.8	22.6	17.9	4.7
1962	22.5	55.2	77.7	19.5	16.5	3.0
1963	24.2	58.2	82.4	21.2	18.1	3.1
1964	22.7	61.2	83.9	*22.7	*18.5	*4.2
1965 2/	*20.9	*61.2	* 82.1			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on May 31, 1965 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	23.2	30.5	4.1	16.3	0
1951	34.3	33.2	7.3	26.4	0
1952	31.6	33.0	5/9.9	32.9	C
1953	25.2	31.1	7.5	31.8	0
1954	34.3	30.9	7.2	23.7	0
1955	31.8	30.8	6.3	22.7	0
1956	34.0	32.1	6.6	21.5	0
1957	36.1	34.5	3.0	15.2	1.0
1958	38.4	34.5	.5	2.7	.2
1959	34.5	34.5	3.7	19.2	3.0
1960	37.4	34.5	2.2	12.2	1.6
1961	37.8	34.5	1.9	9.2	1.7
1962	36.2	34.8	4.1	18.2	3.8
1963	33.3	35.2	8.3	34.3	8.1
1964	37.0	35.5	3.7	16.3	3.7
1965		35.9			
Total	---	---	76.3	---	23.1

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
5/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953.

*Preliminary estimates--production based on an average yield with an allowance for trend.

Table 23.--Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	3.6	4.0	7.6	3.5	3.0	0.5
1951	4.0	4.1	8.1	3.8	3.1	.7
1952	3.7	4.3	8.0	4.0	3.4	.6
1953	2.9	4.0	6.9	3.2	2.7	.5
1954	3.7	3.7	7.4	3.2	2.7	.5
1955	3.3	4.2	7.5	2.9	2.1	.8
1956	3.2	4.6	7.8	2.5	1.9	.6
1957	2.7	5.3	8.0	2.5	1.9	.6
1958	1.9	5.5	7.4	2.5	2.2	.3
1959	2.2	4.9	7.1	1.9	1.6	.3
1960	1.8	5.2	7.0	2.0	1.7	.3
1961	2.2	5.0	7.2	2.1	1.8	.3
1962	2.3	5.1	7.4	2.3	2.0	.3
1963	1.1	5.1	6.2	2.0	1.7	.3
1964	1.8	4.2	6.0	*1.8	*1.5	*.3
1965 2/	*1.8	*4.2	*6.0			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on May 31, 1965
			Quantity	Percentage of crop	
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.
1950	33.9	30.5	34	0.9	0
1951	34.6	33.2	59	1.5	0
1952	31.6	33.0	84	2.3	0
1953	31.8	31.1	24	.8	0
1954	32.2	30.9	123	3.3	0
1955	25.3	30.8	72	2.2	0
1956	35.7	32.1	103	3.2	0
1957	34.0	34.5	11	.4	0
1958	36.8	34.5	29	1.5	0
1959	34.4	34.5	24	1.1	0
1960	37.9	34.5	4	.2	0
1961	39.8	34.5	7	.3	0
1962	37.4	34.8	59	2.6	0
1963	31.4	35.2	92	8.1	0
1964	41.2	35.5	16	.9	0
1965		35.9			
Total	---	---	741	---	0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

*Preliminary estimates--production based on an average yield with an allowance for trend.

about 15 percent from 1963. The 1964 crop of Green River (type 36) brought an average of 35.5 cents, 4 percent higher than the year before. The price average for 1964 Virginia sun-cured, at 41.2 cents, was nearly a third above the relatively low price of the 1963 season and the highest on record.

The overall level of price support for 1964 dark air-cured and sun-cured was 35.5 cents a pound. In the 1964 season, loan placements (virtually all consisting of types 35-36) totaled 3.7 million pounds--15 percent of the combined crop. Both volume and proportion of the crop were down sharply from the previous season. The Government support level for 1965 dark air-cured and sun-cured is 35.9 cents a pound--1 percent higher than in 1964.

Cigar Tobacco, Domestic and Imported

1965-66 Supplies

Filler: Pennsylvania cigar filler acreage in 1965 is expected to be about the same as 1964, or a little above. Based on an average yield adjusted for trend, 1965 production could approximate 53 million pounds--roughly 7 million larger than the small crop of last year, when yields per acre averaged among the lowest in 7 years. Carryover on October 1 may be near 135 million pounds--down 3 million from the high year-earlier level. However, with larger production this year than last, the total 1965-66 supply might be 188 million pounds, one of the largest on record.

A modest increase is indicated in Ohio filler (types 42-44) acreage in 1965. Production may approximate 7 million pounds--approximately 1 million pounds above last year's relatively small harvestings. Carryover next October 1, likely will be around 17 million pounds--more than 2 million below a year earlier and lowest in 6 years. Total supply for 1965-66 at 24 million pounds would be the smallest in 5 years.

The Puerto Rican filler (type 46) crop planted in late 1964 and harvested in the early months of this year may total around 36 million pounds--about 4 million pounds above a year earlier and the largest for many years. April 1 stocks of dealers and manufacturers totaled 57-3/4 million pounds--13 percent above a year earlier and 20 percent above 2 years earlier.

Imported cigar tobacco: In calendar 1964, about 108 million pounds (farm-sales weight) of foreign cigar tobacco were brought to the United States --twice as much as in 1963. During January-April 1965, about 42 million pounds arrived compared with 27 million in the corresponding period of 1964; arrivals of Philippine tobacco were unusually large and composed about 45 percent of the total. Shipments arriving from Brazil--second ranking source in January-April 1965--were about double those of a year earlier, but those from Colombia were down slightly, and those from Dominican Republic were down sharply from January-April 1964. Tobacco arrivals from Paraguay and Indonesia were well above a year earlier, but those from Mexico were down.

April 1, 1965, stocks in this country of foreign cigar tobacco other than Cuban were much larger than a year earlier. Stocks of Cuban tobacco were

Table 24.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf (type 41)							
1950	56.0	115.8	171.8	45.6	45.0	0.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	60.0	122.9	182.9	2/52.0	2/51.7	.3	23.5
1963	51.8	128.0	179.8	2/44.7	44.2	.5	21.0
1964	46.0	138.1	184.1	* 49.0			27.0
1965 3/	*53.0	*135.0	*188.0				
Ohio, Miami Valley (types 42-44)							
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.5	20.2	27.7	6.6	6.6		28.2
1963	6.8	21.1	27.9	8.7	8.7		27.1
1964	5.8	19.2	25.0	*8.0			26.7
1965 3/	*7.0	*17.0	*24.0				
Puerto Rico (type 46) 4/							
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	5/28.1	42.4	5/70.5	5/26.7	5/26.2	5/.5	32.2
1960	5/27.5	43.8	5/71.3	5/28.0	5/27.9	.1	34.2
1961	5/30.7	43.3	5/74.0	5/32.4	5/32.3	5/.1	37.2
1962	35.6	41.6	77.2	28.0	28.0	---	38.0
1963	32.0	49.2	81.2	29.8	29.6	.2	40.8
1964	36.0	51.4	87.4	*30.0			

1/ Year beginning October 1.
2/ Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year.
3/ Subject to revision.
4/ Plantings occur late in year shown and harvestings completed in following year.
5/ Revised
*Preliminary estimates--production based on an average yield with an allowance for trend.

one-third below a year earlier and 56 percent below 2 years earlier. Stocks of foreign grown cigar tobaccos owned by U. S. manufacturers and dealers, compared with those of 1 and 2 years earlier were as follows:

Country of origin	April 1 stocks--farm-sales weight		
	1963	1964	1965
	Mil. lb.	Mil. lb.	Mil. lb.
Philippines	17.9	17.6	36.5
Dominican Republic	12.8	12.8	22.9
Colombia	9.3	11.0	18.4
Brazil	5.0	7.0	16.5
Cuba	29.6	19.6	13.0
Indonesia	2.0	2.6	7.0
Paraguay	3.2	2.5	4.1
Other	4.1	4.2	8.1
Total*	83.9	77.3	126.5

*Based on unrounded data.

Binder: Acreage of the Connecticut Valley binder tobacco--Broadleaf (type 51) and Havana Seed (type 52)--may be down to a new low in 1965. Production at around 5 million pounds would be the smallest on record. Carryover next October 1 seems likely to be about 19 million pounds--nearly 4 million below last October 1 and below any previous year. Thus, indicated total supply for 1965-66 at about 24 million pounds would be about one-sixth less than for 1964-65 and a new low.

The 1965 acreage of Southern Wisconsin (type 54) and Northern Wisconsin (type 55) tobacco may be close to that of last year. Production may approximate 19 million pounds--perhaps 1 million less than in 1964, when yields per acre in both areas averaged a record high. Carryover next October 1 probably will total around 46 million pounds--roughly 1½ million less than a year earlier and almost 6 million less than the 8-year high of 2 years earlier. The 1965-66 total supply of Wisconsin tobacco at around 65 million pounds would be 2½ million less than 1964-65 and a new low.

Wrapper: The 1965 acreages of Connecticut Valley wrapper (type 61) and of Georgia-Florida wrapper (type 62) may be up a tenth from 1964 and largest in several years. Production of these shade-grown cigar wrapper types may approximate 23 million pounds--around 2 million higher than in 1964 and above any previous year. Carryover on July 1, 1965, is estimated at about 19 million pounds--down about one-half million from a year ago and lowest in 8 years. The 1965-66 total supply of shade-grown wrapper will likely be about 42 million pounds--1½ million more than for 1964-65.

Disappearance and Exports

Filler: The 1964-65 disappearance of Pennsylvania filler (type 41) may be about 49 million pounds--up about 5 million from the unusually low figure of 1963-64. The disappearance of Ohio filler (type 42-44) may approach 8 million pounds--about three-fourths of a million less than the comparatively high 1963-64 figure. Disappearance of Puerto Rican filler (type 46) will likely total around 30 million pounds--not much different from a year earlier. Exports of cigar filler in 1963-64, though only a small part of total disappearance, were largest in 5 years. During October 1964-April 1965, filler tobacco exports were a little ahead of those in the corresponding period a year earlier; the leading destinations were Canada and South Vietnam.

Use of imported cigar tobacco: Use of Philippine tobacco during October 1964-March 1965 is estimated at about 9 million pounds (farm-sales weight)--roughly a half-million less than in the corresponding period of 1963-64. During October 1964-April 1965, Dominican tobacco entering consumption channels was about $9\frac{1}{2}$ million pounds (farm-sales weight)--up 40 percent from a year earlier; consumption of Colombian tobacco was about 7 million pounds (farm-sales weight), the same as the year-earlier period; consumption of Brazilian tobacco at over 5 million pounds (farm-sales weight) was nearly double the year-earlier period. Though of smaller volume, there were also significant increases in the use of Indonesian, Mexican, Argentine, and Honduran tobacco and a slight increase in use of Paraguayan tobacco. During October 1964-March 1965, use of Cuban tobacco from steadily declining stocks in the U. S. was down to 2.7 million pounds from 4.1 million a year earlier and 7.7 million 2 years earlier.

Binder: The 1964-65 disappearance of Connecticut Valley binder tobacco is estimated at about 9-3/4 million pounds--over 1 million pounds more than in 1963-64. Domestic use is indicated above a year earlier, and exports during October 1964-April 1965 were above those in the same period of 1963-64. A substantial shipment went to Spain in April. The 1964-65 disappearance of Wisconsin tobacco may total $21\frac{1}{2}$ million pounds--about three-fourths of a million less than the 6-year high of 1963-64. In January 1965 there was a sizable export of Wisconsin tobacco to East Germany.

Wrapper: The 1964-65 disappearance of shade-grown wrapper (Connecticut Valley type 61 and Georgia-Florida type 62) is estimated at about 21-3/4 million pounds--virtually the same as in 1963-64. Domestic use in 1964-65 is estimated at around $17\frac{1}{2}$ million pounds--over 2 million above 1963-64 and record high. On the other hand, exports estimated at about $4\frac{1}{4}$ million pounds (farm-sales weight) were over 2 million below the record high of 1963-64. Shipments to West Germany, the leading outlet, during July 1964-April 1965 were 46 percent lower than a year earlier, and less also went to East Germany, the Netherlands, Belgium, Sweden, and Spain. Shipments to Canada--second ranking export outlet--increased one-third and about the same quantities as a year earlier went to Britain and the Canary Islands.

Table 25.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cts.
Connecticut Valley Broadleaf (type 51)							
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961	3.1	19.4	22.5	3.7	3.6	.1	43.3
1962	2.9	18.8	21.7	6.2	6.0	.2	53.5
1963	3.7	15.5	19.2	4.6	4.3	.3	51.0
1964	3.9	14.6	18.5				51.0
Connecticut Valley Havana Seed (type 52)							
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962	2.4	11.0	13.4	3.3	2.6	.7	42.5
1963	2.2	10.1	12.3	4.0	2.7	1.3	41.6
1964	1.9	8.3	10.2				43.6
Total Connecticut Valley (types 51-52)							
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	9.0	8.1	.9	42.6
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962	5.3	29.8	35.1	9.5	8.6	.9	48.5
1963	5.9	25.6	31.5	8.6	7.0	1.6	47.5
1964	5.8	22.9	28.7	*9.8	*8.0	*1.8	48.6
1965 2/	*5.0	*19.0	*24.0				

1/ Year beginning October 1. 2/ Subject to revision. * Preliminary estimates--production based on an average yield with an allowance for trend.

Table 26.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cts.
Southern Wisconsin (type 54)							
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962	8.7	23.3	32.0	7.7	7.6	.1	29.3
1963	8.3	24.3	32.6	9.7	9.7	3/	30.0
1964	8.7	22.9	31.6				32.2
Northern Wisconsin (type 55)							
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962	10.9	27.8	38.7	11.1	10.9	.2	29.1
1963	9.7	27.6	37.3	12.5	12.5	3/	31.6
1964	11.2	24.8	36.0				35.8
Total Wisconsin types (54-55)							
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	93.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962	19.6	51.1	70.7	18.9	18.6	.3	29.2
1963	18.0	51.9	69.9	22.2	22.2	3/	30.9
1964	19.9	47.7	67.6	*21.5	*21.0	*.5	34.2
1965 2/	*19.0	*46.2	*65.2				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Negligible. * Preliminary estimates--production based on an average yield with an allowance for trend.

Table 27.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
	Connecticut Valley Shade-grown (type 61)						
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	15.1	27.1	11.4	8.9	2.5	190.0
1961	10.3	15.7	26.0	12.2	8.9	3.3	235.0
1962	11.9	13.8	25.7	12.0	9.2	2.8	250.0
1963	12.0	13.7	25.7	14.2	10.1	4.1	260.0
1964	13.4	11.5	24.9				260.0
	Georgia-Florida Shade-grown (type 62)						
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.6	16.9	6.5	5.5	1.0	200.0
1961	8.8	10.4	19.2	9.2	6.6	2.6	190.0
1962	7.4	10.0	17.4	8.5	6.4	2.1	205.0
1963	6.7	8.9	15.6	7.6	5.3	2.3	205.0
1964	7.6	8.0	15.6				235.0
	Total Shade-grown (types 61-62)						
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	22.7	44.0	17.9	14.4	3.5	194.0
1961	19.1	26.1	45.2	21.4	15.5	5.9	214.0
1962	19.3	23.8	43.1	20.5	15.6	4.9	233.0
1963	18.7	22.6	41.3	21.8	15.4	6.4	240.0
1964	21.0	19.5	40.5	*21.7	*17.5	*4.2	251.0
1965 2/	*23.0	*18.8	*41.8				

1/ Year beginning July 1.
2/ Subject to revision.

*Preliminary estimates--production based on an average yield with an allowance for trend.

Prices and Price Supports

Prices for the 1964 crop of Pennsylvania filler tobacco averaged 27 cents per pound--6 cents higher than the 1963 average, which was the lowest since 1951. The average price received for the 1964 Ohio filler crop was 26.7 cents per pound--a little less than for the 1963 crop.

Prices for the 1964 Connecticut Valley Broadleaf crop averaged 51 cents per pound--the same as for 1963; the price average of Connecticut Valley Havana Seed at 43.6 cents per pound was 2 cents higher than a year earlier.

The 1964 crop of Southern Wisconsin tobacco (type 54) brought an average 32.2 cents per pound--2.2 cents higher than in 1963 and highest in 6 years. The average price received for the Northern Wisconsin 1964 crop, at 35.8 cents per pound, was 4.2 cents above 1963--the highest in 5 years.

The Government overall price support level for the 1965 crop of Connecticut Valley binder (types 51-52) is 41.2 cents per pound. The overall support level for cigar filler and binder types 42-44 and 54-55 (practically all grown in Ohio and Wisconsin) is 29.7 cents per pound; the 1965-crop price support for Puerto Rican filler is 30.9 cents per pound. No Government price support is available on 1965-crop Pennsylvania filler, since growers rejected marketing quotas in a referendum held February 18, 1965.

Table 28.--Cigar tobacco types: Government price support levels 1962-65 and season average prices, 1962-64

Types	1962		1963		1964		1965
	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/
	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.
Puerto Rican filler, type 46	30.0	39.7	30.3	40.8	30.6	n.a.	30.9
Conn. Valley Broadleaf, type 51	( ) ( ) (40.0)	53.5	( ) ( ) (40.4)	51.0	( ) ( ) (40.8)	51.0	( ) ( ) (41.2)
Conn. Valley Havana Seed, type 52	( ) ( )	42.5	( ) ( )	41.6	( ) ( )	43.6	( ) ( )
Ohio fill., types 42-44	( ) ( ) ( )	28.2	( ) ( ) ( )	27.1	( ) ( ) ( )	26.7	( ) ( ) ( )
So. Wis., type 54	(28.9) ( )	29.3	(29.2) ( )	30.0	(29.5) ( )	32.2	(29.7) ( )
No. Wis., type 55	( )	29.1	( )	31.6	( )	35.8	( )

1/ Support levels are adjusted to reflect the relative change between the 1959 parity index and the average of the parity index for the 3 most recent calendar years. n.a.--not available.

The Tobacco Situation is published March, June, September and December.

The next issue is scheduled for release September 30, 1965.

Table 29.--Cigar tobacco price support operations, quantities placed under loan, 1952-64, and remaining under loan May 31, 1965

Crop	Quantities placed under loan						
	Puerto Rican, type 46	Ohio, types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1952	1.4	No Price Support 1/					1.4
1953	1.4	2.7	3/	1.8	2.4	1.9	2/10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	3/	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	2/ 7.1
1963	.6	.6	.2	1.3	1.0	3.1	6.8
1964	4/	.1	.1	1.0	3/	.8	2.0
Total	20.6	6.0	17.5	20.9	11.1	23.2	2/99.4
	Remaining under loan as of May 31, 1965						
1957	0	0	0	0.1	0	0	0.1
1958	0	0	0	0	0	0	0
1959	0	0	0	0	0	0	0
1960	0	0	0	.2	0	0	.2
1961	0	0	0	.6	0	0	.6
1962	0	0	0	.5	.2	0	.7
1963	0	0	.1	.6	0	0	.7
1964	4/	.1	.1	.8	0	.8	1.8
Total	0	.1	.2	2.8	.2	.8	4.1

1/ Price support not in effect because marketing quotas were disapproved by growers. 2/ Includes negligible amounts from the 1953 and 1962 crops of New York and Pennsylvania Havana Seed (type 53). 3/ Negligible. 4/ Marketings not completed.

Table 30.--Cash receipts from tobacco and percentages of total cash receipts from all farm commodities, by states, average 1958-62, annual 1963-64

State	Average 1958-62		1963		1964 1/	
	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts
	Mil. dol.	Pct.	Mil. dol.	Pct.	Mil. dol.	Pct.
N. C.	500	49.7	547	47.0	564	47.1
Ky.	227	38.5	259	40.0	349	47.6
S. C.	95	26.3	97	24.3	94	23.8
Va.	86	18.1	80	16.8	103	19.9
Tenn.	77	14.8	73	13.2	100	17.4
Ga.	73	9.7	86	10.1	77	9.1
Fla.	25	3.1	25	2.8	26	2.6
Md.	20	7.3	22	7.6	16	5.5
Conn.	20	13.3	24	16.6	26	17.0
Pa.	14	1.8	14	1.8	11	1.4
Ohio	11	1.1	13	1.2	15	1.4
Ind.	7	.6	9	.7	11	.9
Mass.	7	4.4	9	5.7	9	5.5
Wis.	7	.6	6	.5	6	.5
Mo.	3	.3	4	.3	4	.4
W. Va.	2	1.9	2	2.0	3	3.0
U. S. 2/	1,175	3.4	1,269	3.4	1,414	3.8

1/ Subject to revision. 2/ U. S. total receipts from tobacco include relatively small receipts for a few States not shown separately.

Table 31.--Tobacco: Acreage and yield per acre in the United States, by types, or groups of types, for specified periods

Period	Flue-cured 11-14	Burley 31	Maryland 32	Fire-cured: Va. 21	Fire-cured: Ky-Tenn 22-23	Dark air-cured 35-36	Va. sun-cured 37	Cigar: Filler 41	Cigar: Filler 42-44	Cigar: Filler 46	Cigar: Binder 51-52	Cigar: Binder 54-55	Cigar: Wrapper 61-62	Total 1/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:														
1947-49	993.5	433.3	48.0	12.0	56.9	29.2	3.2	36.1	6.8	33.5	18.2	22.5	14.8	1,709.6
1950	958.4	408.3	50.0	9.8	43.1	25.5	3.2	37.3	7.8	37.0	18.9	22.1	13.7	1,636.0
1951	1,110.1	456.1	53.0	10.0	39.0	23.0	3.5	34.9	4.9	36.0	15.3	15.8	13.6	1,815.9
1952	1,111.3	463.5	50.0	9.8	37.6	22.9	3.4	23.7	5.7	36.7	15.1	15.1	13.1	1,808.5
1953	1,021.8	419.7	45.0	9.9	38.4	22.3	3.7	25.8	4.7	41.7	14.6	14.3	12.3	1,674.6
1954	1,042.2	420.9	50.0	10.0	42.0	21.8	4.1	29.2	4.6	38.0	14.4	15.0	13.0	1,705.5
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	36.1	13.4	14.3	12.9	1,531.5
1956	875.3	309.8	43.7	8.5	38.5	19.3	3.1	29.0	3.9	26.3	7.2	11.8	13.3	1,389.8
1957	662.7	306.6	37.0	6.9	24.7	14.5	2.6	29.0	3.6	26.5	4.3	11.6	13.1	1,148.3
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	24.2	2.9	13.0	12.9	1,102.1
1959	693.3	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	26.3	4.5	13.9	14.0	1,179.0
1960	691.8	295.7	37.5	7.3	25.9	13.0	1.8	31.0	4.3	28.5	3.8	14.6	14.6	1,170.1
1961	698.5	318.9	40.0	7.5	27.9	13.5	2.1	31.0	4.6	27.0	2.9	13.7	13.4	1,201.4
1962	729.8	338.6	41.0	7.6	28.5	13.9	2.2	30.0	4.2	28.5	2.6	12.1	13.2	1,252.6
1963	694.5	338.5	34.5	6.6	27.7	13.8	1.5	28.0	3.9	30.0	2.8	10.7	12.9	1,205.7
1964	627.6	306.6	39.0	7.3	24.8	12.4	1.7	27.0	3.7	30.8	2.8	10.9	13.8	1,108.6
1965 2/	2/	277.6	34.0	7.6	22.8	11.2	1.6	28.0	4.0	---	2.5	10.9	15.1	2/
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:														
1947-49	1,186	1,267	790	1,088	1,128	1,133	942	1,510	1,504	790	1,607	1,467	1,033	1,196
1950	1,312	1,222	800	1,310	1,054	983	1,120	1,500	1,350	689	1,670	1,446	1,130	1,256
1951	1,309	1,355	785	1,340	1,183	1,204	1,145	1,610	1,480	781	1,676	1,473	1,098	1,299
1952	1,229	1,403	805	1,250	1,223	1,314	1,100	1,600	1,550	935	1,620	1,447	1,124	1,266
1953	1,245	1,345	900	930	1,034	1,060	790	1,480	1,400	818	1,833	1,400	1,203	1,250
1954	1,261	1,586	875	1,060	1,229	1,395	900	1,670	1,750	895	1,754	1,530	1,264	1,336
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	831	1,643	1,469	1,213	1,451
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	913	1,849	1,712	1,290	1,583
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,008	1,940	1,709	1,442	1,475
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,058	1,867	1,682	1,283	1,599
1959	1,559	1,669	780	1,320	1,560	1,466	1,040	1,725	1,770	1,068	1,712	1,436	1,325	1,548
1960	1,808	1,639	925	1,220	1,411	1,403	995	1,700	1,535	965	1,802	1,431	1,460	1,685
1961	1,801	1,820	970	1,300	1,552	1,525	1,045	1,725	1,665	1,137	1,881	1,640	1,429	1,741
1962	1,930	1,993	990	1,255	1,566	1,619	1,040	2,000	1,775	1,249	2,026	1,621	1,464	1,876
1963	1,975	2,231	1,000	940	1,795	1,751	760	1,850	1,740	1,067	2,075	1,680	1,449	1,970
1964	2,211	2,022	1,050	1,245	1,854	1,828	1,060	1,700	1,575	1,167	2,041	1,821	1,526	2,041

1/ Total includes types 56, 24 and 53 in various years prior to 1953. 2/ Farmers' intentions as of March 1, but no figure shown for flue-cured and total because of change of flue-cured to acreage-poundage program in May.

Table 32.--Tobacco manufacturing corporations: Net sales, net income, and profit ratios, for specified periods

Period	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales: Before Federal tax	Per dollar of sales: After Federal tax	As percentage of stockholders equity (annual basis): Before Federal tax	As percentage of stockholders equity (annual basis): After Federal tax
	Mil. dol.	Mil. dol.	Mil. dol.	Ct.	Ct.	Pct.	Pct.
Average:							
1947-51	3,058	252	141	8.2	4.6	20.4	11.5
1952-56	3,779	351	159	9.3	4.2	22.6	10.2
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
1960	5,139	577	281	11.2	5.5	27.5	13.4
1961	5,300	630	303	11.9	5.7	28.3	13.6
1962	5,340	634	306	11.9	5.7	27.1	13.1
1963	5,563	675	327	12.1	5.9	27.6	13.4
1964	5,836	664	345	11.4	5.9	25.8	13.4
Quarterly							
1964							
1	1,268	130	67	10.3	5.3	20.6	10.6
2	1,492	177	91	11.9	6.1	27.8	14.3
3	1,525	177	91	11.6	6.0	27.3	14.0
4	1,551	180	96	11.6	6.2	27.4	14.6
1965							
1	1,384	145	76	10.5	5.5	22.0	11.5

NOTE: Data include non-tobacco enterprises of tobacco manufacturing corporations. Compiled and adapted from Quarterly Financial Reports for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

STATISTICAL SUMMARY

Item	Unit or base period	1964 Apr.	1964 May	1965 Mar.	1965 Apr.	1965 May	Last data as percentage of a year earlier
Average price at auctions							
Flue-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Burley	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Maryland	Ct. per lb.	45.7	44.0	Closed	64.6	63.1	143
Virginia fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Virginia sun-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Support price levels 1/							
Flue-cured	Ct. per lb.	57.2		57.7			101
Burley	Ct. per lb.	58.9		59.5			101
Maryland	Ct. per lb.	52.3		52.8			101
Virginia fire-cured	Ct. per lb.	40.0		40.4			101
Ky.-Tenn. fire-cured	Ct. per lb.	40.0		40.4			101
Ky.-Tenn. dark air-cured	Ct. per lb.	35.5		35.9			101
Virginia sun-cured	Ct. per lb.	35.5		35.9			101
Connecticut Valley cigar binder	Ct. per lb.	40.8		41.2			101
Wis. binder and Ohio filler	Ct. per lb.	29.5		29.7			101
Puerto Rican filler	Ct. per lb.	30.6		30.9			101
Parity index 2/	1910-14=100	314	313	318	320	323	103
Industrial production index 3/	1957-59=100	130	131	141	141	141	108
Employment	Mil.	69.9	71.1	70.2	71.1	72.4	102
Personal income 4/	Bil. dol.	486.6	487.8	513.8	515.0	517.0	106

Item	Unit	1964 Mar.	1964 Apr.	1965 Feb.	1965 Mar.	1965 Apr.	Last data as percentage of a year earlier
Taxable removals							
Cigarettes	Bil.	37.9	43.7	40.2	47.4	43.5	100
Cigars	Mil.	745.1	741.3	625.9	728.1	704.2	95
Smoking tobacco	Mil. lb.	8.3	7.8	5.1	6.9	5.9	76
Chewing tobacco	Mil. lb.	5.3	5.6	4.7	5.7	5.3	95
Snuff	Mil. lb.	2.6	2.6	2.3	2.6	2.5	96
Accumulated from Jan. 1							
Cigarettes	Bil.	108.0	151.7	79.3	126.7	170.2	112
Cigars	Mil.	2,073.7	2,815.0	1,261.2	1,989.3	2,693.5	96
Smoking tobacco	Mil. lb.	23.0	30.8	10.8	17.7	23.6	77
Chewing tobacco	Mil. lb.	15.8	21.4	10.0	15.7	21.0	98
Snuff	Mil. lb.	7.8	10.4	4.4	7.0	9.6	92
Tax-exempt removals							
Cigarettes	Bil.	3.2	3.1	3.4	3.7	4.0	129
Exports	Bil.	2.1	1.9	1.3	2.3	2.1	111
Cigars and cigarillos	Mil.	15.7	17.2	11.5	17.5	12.4	72
Smoking tobacco	Mil. lb.	.3	.3	.2	.2	.2	67
Chewing tobacco	Mil. lb.	*	*	.1	*	*	---
Accumulated from Jan. 1							
Cigarettes	Bil.	9.8	12.9	5.5	9.2	13.2	102
Exports	Bil.	5.7	7.5	2.0	4.4	6.5	87
Cigars and cigarillos	Mil.	46.7	63.9	23.0	40.4	52.8	83
Smoking tobacco	Mil. lb.	.8	1.1	.3	.5	.8	73
Chewing tobacco	Mil. lb.	.1	.1	.1	.1	.1	100
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	1957-59=100	109.5			109.5		100
Cigarettes, filter tip	Jan.1959=100	100.0			100.0		100
Cigars	1957-59=100	100.3			100.3		100
Smoking tobacco	1957-59=100	119.1			121.2		102
Plug chewing tobacco	1957-59=100	123.9			123.9		100
Snuff	1957-59=100	115.0			115.0		100
Consumer prices indexes (urban)6/							
Cigarettes, reg. nonfilter	1957-59=100	#117.2			#118.6		101
Cigarettes, filter tip	Mar.1959=100	#112.6			#113.5		101
Cigars, domestic, reg. size	1957-59=100	#100.2			#100.2		100
Imports of tobacco							
Cigarette leaf	Mil. lb.	9.2	10.7	9.1	11.9	10.5	98
Cigar tobacco 7/	Mil. lb.	5.8	6.3	6.6	8.7	5.2	83
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	26.8	37.5	26.1	38.0	48.5	129
Cigar tobacco 7/	Mil. lb.	16.5	22.8	12.4	21.1	26.3	115

See footnotes at end of Statistical Summary. Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1964 Mar.	1964 Apr.	1965 Feb.	1965 Mar.	1965 Apr.	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	19.7	21.5	5.1	36.9	37.3	173
Burley	Mil. lb.	4.5	3.9	.7	4.0	4.2	108
Maryland	Mil. lb.	.8	.7	.4	.6	.7	100
Virginia fire- & sun-cured	Mil. lb.	.7	.2	.2	1.3	.8	400
Ky.-Tenn. fire-cured	Mil. lb.	.4	3.9	.2	5.1	1.1	28
Ky.-Tenn. dark air-cured	Mil. lb.	0	.2	*	.1	.3	150
Black Fat	Mil. lb.	.3	.2	*	.6	.3	150
Cigar wrapper	Mil. lb.	.8	.7	.2	.4	.6	86
Connecticut binder	Mil. lb.	.1	*	*	.2	1.2	---
Wisconsin binder	Mil. lb.	*	*	*	*	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	415.9	437.5	301.7	338.6	375.9	86
Burley	Mil. lb.	22.2	26.1	19.6	23.6	27.7	106
Maryland	Mil. lb.	6.0	6.8	4.2	4.8	5.5	81
Virginia fire- & sun-cured	Mil. lb.	4.3	4.5	1.2	2.5	3.2	71
Ky.-Tenn. fire-cured	Mil. lb.	7.9	11.7	7.7	12.8	13.8	118
Ky.-Tenn. dark air-cured	Mil. lb.	.6	.8	1.3	1.4	1.6	200
Black Fat	Mil. lb.	1.8	1.9	1.3	1.9	2.2	116
Cigar wrapper	Mil. lb.	3.9	4.7	2.4	2.9	3.5	74
Connecticut binder	Mil. lb.	1.1	1.2	.2	.4	1.6	133
Wisconsin binder	Mil. lb.	*	*	.4	.4	.5	---
Exports of manufactured tobacco in bulk	Mil. lb.	.7	.5	.4	1.8	1.2	240
Accumulated from Jan. 1	Mil. lb.	1.9	2.4	.5	2.3	3.5	146

Quarterly data

		1964 Jan.-Mar.	1964 Apr.-June	1965 Jan.-Mar.	1965 Apr.-June	
Tobacco stocks--1st of quarter						
Domestic types (farm-sales weight)						
Flue-cured	Mil. lb.	2,880	2,649	3,033	2,823	107
Burley	Mil. lb.	1,520	1,699	1,680	1,710	101
Maryland	Mil. lb.	77	70	82	75	107
Fire-cured	Mil. lb.	103	139	109	141	101
Dark air- and sun-cured	Mil. lb.	64	77	67	78	101
Cigar filler	Mil. lb.	180	226	188	231	102
Cigar binder	Mil. lb.	74	82	67	80	98
Cigar wrapper	Mil. lb.	28	26	27	24	92
Under Government loan 10/	Mil. lb.	982	1,084	1,372	1,367	126
Tobacco sheet 11/						
Cigarette types	Mil. lb.	5.3	5.5	5.3	6.3	115
Cigar types	Mil. lb.	2.2	2.3	2.8	2.5	109
Foreign types (unst. equiv.)						
Cigarette and smoking	Mil. lb.	256	275	258	276	100
Cigar	Mil. lb.	55	58	85	94	162
Tobacco outlets 12/						
Seasonally adjusted data, annual rates, for charts, p.2:						
Cigarettes						
Production	Bil.	485	554	566	560	101
Taxable removals	Bil.	440	512	518	520	102
Cigar production	Bil.	8.49	10.54	8.80	9.44	90
Smoking production	Mil. lb.	100.4	80.8	75.5	71.8	89
Chewing production						
Scrap	Mil. lb.	35.2	33.7	35.0	34.2	101
Plug and other	Mil. lb.	30.6	34.2	31.4	32.1	94
Snuff production	Mil. lb.	30.8	32.1	28.1	30.3	94
Exports of leaf						
Total	Mil. lb.	676	639	335	743	116
Flue-cured	Mil. lb.	590	514	274	632	123

1/ 1963 and 1964 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.
*Less than 50,000 pounds. # Available only for June and December; data shown are for December 1963 and December 1964.

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